FBIS DAILY REPORT

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PRESIDENT ALFONSIN ON MILITARY ROLE IN SOCIETY

PY080304 Buenos Aires Argentina Televisora Color Network in Spanish 0009 GMT 8 Jul 86

[Speech by Argentine President Raul Alfonsin to government and military authorities at the annual Armed Forces Independence Day dinner at the Casa Amarilla in Buenos Aires -- live]

[Excerpts] I am very honored to share with you the traditional meal with which the Armed Forces commemorate the anniversary of our independence.

Under the specific circumstances the nation is experiencing, I am compelled, as commander-in-chief of the Armed Forces, to address my men with the firmness, loyalty, and humility required by the duty of my position.

When we met last year to mark the independence anniversary, I recalled that the modern Armed Forces are an offspring of the Constitution. The Constitution establishes the role and the meaning of the existence of the Armed Forces within the overall program to build and preserve the nation.

In turn, within a disturbed, drifting society, the Constitution is a meaningless standard in which the rational and legal distribution of functions and duties is not effective. Strictly speaking, the institutions are also nonexistent. When this distribution is not effective, when the state of law is impaired. They are pseudo-institutions. They just appear to be institutions.

In our country, confusion and necessity in the past led the different sectors of society along paths very different from those outlined by the architects of our modern nation.

Violence replaced coexistence. It was a generalized violence, not only violence with weapons, but also violence disguised as speculation, as an all-out defense of sectorial interests, as the logic of every man for himself, as distrust and selfishness. There was no plan for a common nation. There were no joint efforts. On the contrary, efforts were contradictory and they cancelled each other out.

This did not happen in one day. It was a long process of deterioration which assumed different ways at different times and seemed to have no way out.

Within this context of national disintegration, political adventures, which, under other circumstances, would have had other participants or impetus, occurred. They would have been absorbed or controlled by a healthy society.

Our society was ill. It lacked motivation, horizons. It was decadent. Regarding the exhaustion of a nation's model, there were no rational, collective reactions.

Political parties, trade-union organizations, business corporations, civilian institutions, and the Armed Forces let confusion and sectarianism take over them.

The democratic system has allowed the Armed Forces to once again exercise the honorable function for which they were created by the Constitution and the laws. They have once again become the armed branch of the nation in charge of defending its sovereignty. They are once again a normal institution within a normal country which aspires to grow in democracy and pluralism.

As everyone knows, our country has exhausted a growth cycle. The period of decadence must now be replaced by a new cycle of progress, of development, and growth. This need is to be found in an international scenario that has undergone deep-seated changes in the economic and political fields while we vegetated in decadence. We must recover much lot time. The technological gap that separates us from the industrialized countries becomes increasingly wide. The price of our raw materials drops constantly in the world markets. The protectionist and discriminatory policies imposed by the highly developed countries hinder our possibilities of exporting nontraditional goods. We must overcome these obstacles in order to face the challenge of our development as an independent and sovereign country. The establishment of a new international economic order and Latin American integration are important unavoidable objectives. In order to tackle these objectives efficiently, however, we must make order in our own home, we must start our own modernization process, we must put an end to plundering, to useless efforts, to unproductive and anachronisic activities.

The president will not spare any effort until he obtains the full strengthening of the armed forces and the people to whom they owe their existence and to whom they belong. The president also wants to remind you that our ethical concept of politics does not allow us to visualize another image to bequeath our children than that of a united society, free from reconciliation problems. Society must understand that the past times and rancor have remained behind and that the future and life lie ahead of us.

I am aware that the Armed Forces have contributed and continue to contribute with their own quota of sacrifice to this great national effort. Its men share, with the rest of the country, the restrictions imposed by their insufficient income and the deficient structure with which they have to carry out their own tasks. I am aware, and probably the entire citizenry is also aware, that this participation -- in the midst of great difficulties and sacrifices, restrictions and ever-increasing duties -- only confirms the expections that encouraged us when, at the beginning of our administration, we explicitly stated our conviction that the basic principle of the relationship between the commander and his men was based on the concept of obedience as the adequate balance between liberty voluntarily given up and the authority decidedly exercised and the concept of loyalty as a two-way path, which spiritually links the high-ranking officers and subordinates in the mission of defending the nation's sovereignty and the institutions.

Certain that it is essential to achieve Argentina's greatness in order to be able to aspire to a future that will be worthy of living, the national governoment has repeatedly expressed its decision to modernize the country as a priority national objective. But this must not be an affirmation made unilaterally by the government. We Argentine citizens must discuss the purpose and scope of the modernization of our society. There might be disagreements, there should be disagreements. Mankind does nothing serious without assessing various possibilities and without confronting interests, aspirations, and needs. But it is difficult, if not impossible, to think of a future for our country that does not entail modernization. We have been left too far behind during the past decades by the progress made by the great developed nations of the world. We ourselves have been responsible for losing opportunities, we have been deprived of or denied others. The development of the world market has always created more negative conditions for those who have been neglected in the march toward progress.

The Argentine Armed Forces could no longer base their organization on a structure that may have been effective or adequate at the beginning of this century but which has been dropped by most countries. The Army, the Air Force, and the Navy -- that is, the modern Armed Forces -- can be three branches of this single tool that is placed at the service of the defense of our sovereignty and territorial integrity.

To modernize the Armed Forces does not mean only to equip them with modern, up-to-date equipment; or to renew organization plans; or to adapt their strategies to the present international political situation. To modernize the Armed Forces means mainly to achieve a correct exchange between their structure and function and the society of which they are members as part of the state apparatus. To modernize the Armed Forces also implies deep changes in their training and the hierarchy of their professionals.

We can no longer refer to the military as just men in arms. The present practice of the military demands very specific complements. As in all activities of man, the technological complexity and the complexity of social activities, demand a profound and extensive training in specific areas.

These specializations must be carried out in the heart of military institutions which must be informed on everything that is being studied and investigated in all national educational and scientific institutions.

The Armed Forces, which jointly safeguard our national sovereignty, cannot be separated from the knowledge and techniques that are being developed in other national sectors. Their professional independence cannot become a justification to deny them access to sources of training and education at the academic and university levels, which in turn will benefit from the contribution that the Armed Forces are capable of rendering in other fields.

A more fluid relation between the Armed Forces and society will not undermine military professionalism. On the contrary, it will strengthen it and it will contribute so that Armed Forces members will experience daily the recognition that all societies must render to those willing to give their lives to defend them.

This willingness for self-sacrifice, as we noted last year, achieves its true dimension and its most profound sense when the society that is defended is an organized society based on shared and legitimate values, a society that can state, as has been said, that no one can raise any weapon against the Armed Forces, because no one, except a traitor or an enemy, can open fire on them without destroying the White and Blue flag that is the symbol of the fatherland itself.

The scarcity of capital will be reflected in a policy of equipping the Armed Forces by favoring the development of the national technological efforts so that the available funds are preferably allocated to take advantage of Argentine know-how to invent and manufacture equipment and participate in high-technology projects.

The production of military equipment however, must not be considered as an activity foreign to the nation's industrial development or as an island of unrealistic prosperity.

The efforts for defense must be made using as much as possible the same tools used to build the nation in peacetime so that even if war never breaks out, the nation's development in peacetime would not have been hindered by the preparations for defense.

An integral concept of the nation's scientific, technological, and industrial policy must lead to a versatility of undertakings and projects, so that prosperity in peacetime will also represent strength in wartime.

It is important for Argentina to have new policies for defense research and production because the past ones not only have been disqualified by the painful experiences of past years but they also expose anachronisms even to the layman's eye.

There is no room for anachronistic structures in which the nation uses capital funds, industrial capabilities, and, especially skilled, thrifty and hard-working manpower.

This forces us to work with total efficiency, focusing on a new scientific and industrial defense concept.

We will have to secure signifianct contributions for civilian scientific and industrial development, and means to conduct needed military reform.

In the military sphere we have acted in a clear and authentic way, without subterfuge or false shortcuts. No doubt, making sensible moves and mistakes, we have always sought, with humility and tact, to mark a well-defined path, permitting us to detach ourselves from a dark past.

We have climbed a steep hill in this initial short time of dawning democratic rule.

We have stated our truths and acted accordingly, honestly stating our confidence in the nation's institutions.

We have shared hopes and griefs with our men-in-arms.

We have fully dedicated ourselves to solving sharp problems derived from structural deficits and serious restrictions resulting from the crisis that has affected our country at all levels.

In conclusion, we have experienced transcedental moments along with our officers and soldiers, watching their exercises and land, sea, and air maneuvers and participating in events which proved the vibrant vigor of the men who make up our Armed Forces.

Argentina is not divided into a country of civilians and a country of military; just as countries are not divided into countries of workers and businessmen; laymen or religious men; or of one party or the other.

Our country is the sythesis of substantial values and agreements that we have been able to achieve, not without difficulty, among us all. These agreements are the ones that today allow us to foresee a future filled with achievement for all Argentines, thanks to the coexistence we are all experiencing today.

This is why it is important for us to stop being a society that is haunted by the ghosts of its past, ghosts that are sometimes confronted with present obstacles and difficulties; this is why it is necessary for us to adopt a humble ethical predisposition, and to assume alongside our fellow beings who suffer, who perhaps have suffered different experiences, but who share the need for reapprochment, and the need for understanding; who share the same needs, and who are also hoping that this new path that is being followed by their brothers, will lead us to our shared dream of achieving a modern, progressive, powerful, and fundamentally united Argentina.

CAPUTO SAYS ALFONSIN PHILIPPINE TRIP STILL ON

PY070017 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2055 GMT 6 Jul 86

[Text] Buenos Aires, 6 Jul (NA) -- Argentine Foreign Minister Dante Caputo said today that the political situation in the Philippines "is being evaluated" by Argentine authorities and that "for the time being there is no reason to suspend" the trip President Raul Alfonsin is scheduled to make there.

He said "we are closely following the situation in the Philippines." In a statement to NOTICIAS ARGENTINAS, Caputo said "we are contacting our embassy in Manila, and the information we have is that the situation there apparently is under control.

News agency reports today reported a coup attempt against Philippine President Corazon Aquino. The reports said that the coup was led by followers of former dictator Ferdinand Marcos.

Caputo said that "there is no reason to make any changes regarding the president's trip. We have not even considered the possibility."

Caputo also said that officials at the Foreign Ministry are in constant contact with the Argentine Embassy in the Philippines and that these contacts will continue at least until midnight tonight.

Alfonsin is scheduled to start a tour through Japan, New Zealand, the Philippines, Saudi Arabia, and Portugal on 10 July. He is scheduled to return on 23 July.

NATIONAL POLICE PLANE CRASHES WITH VIP'S ABOARD

PY041842 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1645 GMT 4 Jul 86

[Text] Buenos Aires, 4 Jul (NA) -- A National Border Police airplane that was flying from Paso de Los Libres to Buenos Aires reportedly has crashed. Some high-ranking national border police officers reportedly have been killed.

According to several sources, General Arturo Lopetegui, commander of the national border policy, was aboard the Piper Aztec PA-38" that crashed.

Also aboard the plane were another general and two majors in addition to the plane's crew. Four persons were killed and three injured.

AEROLINEAS ARGENTINAS DISMISSES ALL PILOTS 5 JULY

PY052136 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1520 GMT 5 Jul 86

[Text] Buenos Aires, 5 Jul (NA) -- Aerolineas Argentinas today dismissed all its pilots by sending 111 telegrams this morning. Four hundred-fifty such telegrams have been sent in the past few days as a result of the government decision to declare illegal the indefinite strike by the pilots of this airline.

A spokesman of the Airlines Pilots Association (APLA) today disclosed that the telegrams announcing the latest dismissals "had not been received," despite the announcement by Aerolineas manager Horacio Domingorena that they had been sent.

Aerolineas Argentinas General Manager Oscar Cicalesi yesterday asserted that "anoher" 40 candidates, which the appropriate qualifications, had responded to the airlines' call to fill the vacancies. He said that in addition to these 40 candidates, another 32 had already applied on 3 July, and that there are "150 on the waiting list."

RADIO STATION DESTROYED BY EXPLOSION

PY071851 Paris AFP in Spanish 1752 GMT 7 Jul 86

[Text] La Paz, 7 Jul (AFP) -- The owners of Radio Loyola Cultural Action [Radio Accion Cultural Loyola -- ACLO] have reported that their station was completely destroyed when two large bombs exploded early this morning in the city of Tarija (958 km south of La Paz).

They reported that five hooded individuals entered the radio station; beat and tied up the night guard Tomas Orosco, who is now in a coma; and destroyed the equipment.

Although it is yet not known who the criminals are, the radio station has received telephone threats during the last few days from some conservative political parties.

Radio ACLO, which belongs to the Bolivian Jesuit priests, has the largest audience in the region, which includes the southern Bolivian departments (Tarija, Chuquisaca, and Potosi) and part of northern Argentina. It is dedicated to improving the living standards of the peasants.

SENATORS RETURN FROM VISIT TO PRC 4 JULY

PY042333 La Paz La Red Panamericana in Spanish 1700 GMT 4 Jul 86

[Excerpts] Bolivian senators who had traveled to the PRC returned to the country a few hours ago. Upon their arrival Senate President Oscar Zamora Medinacelli said the PRC is interested in economically supporting Bolivian iron exploration at El Mutun Mine, and announced that a PRC official delegation will visit Bolivia in the next few weeks. Here are some comments by the senator:

[Begin Zamora recording] During our visit, we have had the opportunity to frankly exchange ideas with representatives of the Chinese Popular Assembly. During this exchange of ideas, we found that we agree on many topics. We agree on policies that must be upheld by our countries, that is Third World countries, regarding upholding world peace and making a common stand on issues that affect Third World countries, such as the foreign debt. [end recording]

Senator Zamora Medinacelli then said that the CPC has expressed its willingness to support Bolivia during its current critical situation. He said that the ties between the peoples of the two countries were strengthened with the presence of the Bolivian senators in the PRC.

Finally, Senator Zamora Medinacelli said that the immigration of 5,000 Chinese families to Bolivia is not being organized by the PRC government, but rather it is the initiative of a private Hong Kong enterprise, which is sponsoring Chinese migration to different parts of the world.

SARNEY DEPARTS FOR OFFICIAL VISIT TO ITALY

PY072129 Paris AFP in Spanish 2123 GMT 7 Jul 86

[Text] Rio de Janeiro, 7 Jul (AFP) -- Brazilian President Jose Sarney left today at 1700 for Italy, the second European country he will visit since he assumed the presidency.

During this 3-day official visit, Sarney will meet with top-ranking Italian officials, including his Italian colleague Francesco Cossiga, and with Pope John Paul II.

SARNEY CONFIRMS SCIENTIFIC AGREEMENT WITH U.S.

PY071504 Rio de Janiero O GLOBO in Portuguese 5 Jul 86 p 17

[Text] In a decree published yesterday by the DIARIO OFICIAL DA UNIAO, President Jose Sarney sanctioned the agreement for scientific and technological cooperation between the United States and Brazil which was approved by Congress last April. The agreement states that Brazil and the United States will promote a broad program of scientific and technological cooperation, according to priorities to be established periodically.

According to the agreement, the two countries will cooperate in the fields of agriculture, health, oceanography, space, meteorology, natural resources, basic sciences, ecology, engineering, and industrial technology, as well as other scientific and technological areas of common interest to the two countries.

DELEGATION OF LEGISLATORS TO VISIT USSR

PY042036 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Jul 86

[Text] A delegation of legislators will leave next week for a tour of the USSR. The delegation, which will begin its tour in Moscow, is presided over by Senate President Jose Fragelli and by the Chamber of Deputies President Ulysses Guimaraes. The delegation will arrive in Moscow on 7 July. On 10 July, the delegation will travel by train to Leningrad, where it will visit collective farms, kolkhozes, and the Hermitage museum. On 14 July, the Brazilian group will return to Moscow to meet with Supreme Soviet President Andrey Gromyko.

Soviet Embassy Charge d'Affiares Vladimir (Soliarov) yesterday announced the legislator's agenda and said:

[Begin (Soliarov) recording] The trip that the delegation of Brazilian legislators will make to the USSR is to reciprocate the official visit to Brazil that a delegation of Soviet legislators paid to Brazil in 1983 [corrects himself] in 1984. I myself came to Brazil with that delegation. At that time we held talks with Ulysses Guimaraes and Jose Fragelli. During these talks, our delegation invited a Brazilian delegation to visit the Soviet Union [end recording].

The charge d'affaires also confirmed that Ulysses Guimaraes has made no request for a medical check-up in the USSR, but if such a request were to be made, it would be accepted.

In addition to Guimaraes and Fragelli the delegation is made up of the following senators: Carlos Chiarelli, Helio Gueros, Martin Filho, and Octavio Cardoso. Other members of the delegation are Deputies Gaston (Reig), Mateus Schmit, Irma Passoni, Raul Bernardes, and Hieraclito Fortes. The Brazilian delegation is expected to return on 15 July.

Guimaraes Withdraws

PY050231 Brasilia Domestic Service in Portuguese 2200 GMT 4 Jul 86

[Text] Deputy Ulysses Guimaraes will not travel to the Soviet Union. Guimaraes, who is president of the Chamber of Deputies, announced that he withdrew from the trip he was to begin tomorrow in deference to a request from the Sao Paulo and Rio de Janiero Directorates of the PMDB [Brazilian Democratic Mobilization Party].

ANTI-CRIME PACT SIGNED WITH ARGENTINA

PY050251 Rio de Janeiro O GLOBO in Portuguese 4 Jul 86 p 5

[Text] Porto Alegre -- Federal Police Director General Romeu Tuma and Argentine National Gendarmerie Director General Arturo Lopetegui signed yesterday at Paso de los Libres an agreement to fight drug trafficking and the smuggling of stolen cars across the Brazilian-Argentine border.

In Tuma's opinion, the joint action of the Brazilian and Argentine police will make it more difficult for drug traffickers and smugglers to operate along the border. Therefore, similar agreements with other neighboring countries are under consideration.

SATELLITE PROGRAM REPORTED ON SCHEDULE

PY050305 Brasilia Domestic Service in Portuguese 2200 GMT 4 Jul 86

[Text] The timetable for the construction and installation of a center for the launching of the first all-Brazilian communications satellite is being rigorously followed. This comment was made today in Rio de Janeiro by Admiral Jose Maria do Amaral Oliveira, chief of the Armed Forces Joint Staff [EEMFA] after a lecture he delivered at the Naval War College.

He confirmed that the satellite will be launched early in 1989 at a total cost of about $500 million. He also reviewed the participation of the federal government in the development of scientific research.

[Oliveira recording indistinct]

The EMFA chief today gave a lecture to officers enrolled in the Naval War College.

FOREIGN MINISTRY DENIES SPY NETWORK WITH UK

PY080157 Santiago Domestic Service in Spanish 2300 GMT 7 Jul 86

[Text] The Chilean Foreign Ministry has categorically denied the existence of an alleged British-Chilean spy network that was operating against Argentina. This was stated by a high-ranking Foreign Ministry source regarding reports from Buenos Aires, which state that during a secret Argentine Senate session, Argentine Defense Minister Horacio Jaunarena reportedly informed Argentine legislators about evidence that the Argentine Government reportedly possesses regarding an alleged British-Chilean spy network.

Reliable sources at the Chilean Foreign Ministry have categorically denied this report. They added that of the seven Chilean citizens arrested last April in Neuquen, Argentina, six have already been released by the Argentine courts and authorized to return to Chile.

Moreover, Chilean Foreign Ministry sources have noted that similar rumors circulated in late May regarding another alleged spy ring. The sources stated that this process involves seven Argentine citizens and one European citizen, all of whom are under arrest. The Chilean Foreign Ministry noted that no Chilean citizen is involved in this last process.

Chilean Foreign Ministry sources also noted that Chile and Argentina are determined to seek paths that will lead to the solution of problems arising from bilateral integration.

For his part, Argentine Ambassador to Chile Jose Maria Alvarez do Toledo has noted that there will always be biased sectors trying to create problems between Argentina and Chile. The ambassador made this statement after holding a meeting with Chilean Foreign Minister Jaime del Valle.

Alvarez de Toledo said he did not give importance to news agency reports from Argentina about certain difficulties that are affecting Chilean-Argentine relations.

[Begin Alvarez de Toledo recording] There will always be certain sectors that will be interested in creating some problems between us but I do not give them any importance. [end recording]

The diplomat also said that he had been summoned to the Foreign Ministry to talk about bilateral relations.

[Begin Alvarez de Toledo recording] (?I came here) to talk about issues pertaining to bilateral relations, which are many, and also to reassert our intention to continue along those paths that have to do with the integration of our two countries. [end recording]

The Argentine ambassador also said that during his meetings with the Chilean foreign minister, they always talked about things in general and that they were always positive.

PCCH WILL ACCEPT MILITARY TRANSITION GOVERNMENT

PY071515 Paris AFP in Spanish 1419 GMT 7 Jul 86

[Text] Santiago, 7 Jul (AFP) -- The Chilean Communist Party (PCCh) is willing to accept a military government without Pinochet for the transition to democracy, according to information made available today in Santiago.

The new position of the PCCh toward the military government that ousted the government of socialist President Salvador Allende in 1973 was announced by one of the party's top leaders at an underground press conference in Santiago, which was attended by four foreign media correspondents.

FURTHER REPORTAGE, COMMENT ON 2-3 JULY STRIKE

Radio Station Ban Lifted

PY071549 Paris AFP in Spanish 1510 GMT 7 Jul 86

[Text] Santiago, 7 Jul (AFP) -- The Santiago state of emergency zone today lifted the ban imposed on four radio stations forbiding them from broadcasting news.

Those four stations were accused on 2 July of promoting subversive actions, so they were authorized to broadcast only official reports, music, and commercials.

The measure, which was adopted on the first day of the 48-hour national stoppage organized by the National Civic Assembly, involved Radio Chilena, which belongs to the Catholic Church, Radio Cooperativa, Radio Carrera, and Radio Santiago, which are linked with sectors that oppose General Augusto Pinochet's regime.

ANC Leaders Barred From Leaving

PY070341 Madrid EFE in Spanish 2102 GMT 6 Jul 86

[Excerpt] Santiago, Chile 6 Jul (EFE) -- Chilean special judge German Valenzuela today decreed an arraignment order (prohibition to leave the country) against the 17 leaders of the National Civic Assembly [ANC]. The request was submitted by the Chilean military regime.

Moreover, the lawyers who are defending ANC President Juan Luis Gonzalez, have denied that he intends to seek asylum, as has been reported in some Santiago press circles.

The top-ranking ANC leaders are charged by the government headed by General Augusto Pinochet with being responsible for the violence that broke out during the 48-hour general strike against the Chilean regime on 2 and 3 July.

The government believes that the ANC leaders, headed by Juan Luis Gonzalez, are responsible for the violence that resulted in 6 deaths, almost 100 injuries, and about 700 arrests.

Up to now, none of the 17 ANC leaders has been "found" by the government's agents, who have been ordered to arrest them to begin the trial that was requested on 3 July by Interior Ministry lawyers.

The ANC leaders have answered the charges by noting that they called a peaceful demonstration and that "the bullets that killed and injured people were not fired by us, but by those who carry guns in this country, and they are not civilians."

"Somewhere in Santiago," Juan Luis Gonzalez said they will appear before the court when the judge assures them that they will not be treated as fugitives and handed over to the police and security services, in view of the arrest orders issued against them.

9th Region Leader on Strike

PY052123 Santiago Domestic Service in Spanish 1700 GMT 5 Jul 86

[Excerpts] Brigade General Miguel Espinoza Guzman, intendent of the Ninth Region, has referred to the acts of violence on 2 and 3 July during demonstrations in Temuco, telling the press that, quote, it is obvious that violence destroys all that the authorities build up for the benefit of the community, unquote. He added that some groups of terrorists are still persisting in their selfish interests without having time to listen to he fervent appeals by the Holy Father, who is on a tour of love and understanding in America.

The incidents in Temuco left 7 people injured, 92 detained, and damage to private property during the 2 days of demnstrations staged in the Ninth Region by the National Civic Assembly.

Meanwhile in Santiago, police and military personnel are conducting a preventive operation in the Cuatro Alamos neighborhood of the Maipu district. Soldiers, Carabineros, and plainclothesmen of the Police and Security Forces began the operation at 0630. A large sector was cordoned off, and the entry and exit of people was strictly controlled. As usual in this type of preventive operation, the identification documents of all adults were examined. Activity centered at the sports field, where all male adults were taken, and the rest of the people were checked out at home. It is expected that an official report will be released in the next few hours on the result of this joint operation.

In Valparaiso, Rene (Lugo) Escobar, president of the students federation of the Valparaiso Catholic University, was charged this morning by the intendent of the port city with breaking the state international security law.

TU Leader Comments

PM031417 London MORNING STAR in English 3 Jul 86 p 1

[Telephone interview with Chilean Workers' National Command President Rodolfo Seguel by Alan Brown and Michael Boncza on 2 July]

[Excerpt] Chile's resistance to fascism took a major step forward yesterday as a massive general strike ground the nation to a halt.

Public transport, lorries and docks across the country were reported out of action and Chilean people took to the streets demanding an end to 13 years of slavery under the regime of President Augusto Pinochet.

Speaking to the MORNING STAR from Santiago last night, president of the Workers' National Command (CNT) Rodolfo Seguel said 90 percent of transport in Chile was paralysed. Only an occasional civilian car was seen on the streets. Mr Seguel remarked. "A few private citizens who had their own transport made the journey to work."

But action in the opening hours of the two-day protest was strong indeed, he emphasised.

Pinochet's security troops were out in strength yesterday, the CNT leader said.

"The whole country has been militarised. In Santiago the streets are full of Carabinieri.

Mr Seguel said troops had not so far harassed CNT's headquarters. "Luckily we haven't seen much of them," he said.

"There has been a systematic round-up of community and trade union leaders," he stated. "And although the actual figures are not yet known, its extent has caused the Human Rights Commission to start an investigation."

Six people died in Santiago in the hours leading up to yesterday's strike. On Tuesday two women and a man died in a Santiago house after troops surrounded the building.

Official reports claimed they were "terrorists" and stated that they "committed suicide" after police arrived.

A man was shot early yesterday morning as he dug ditches to enforce the transport block alongside the comrades.

Another man was said to have died when troops opened fire on a group of Chileans leaving a house in the city centre.

And a 13-year-old girl was gunned down by soldiers in the Chilean capital yesterday morning as she ran an errand for her parents.

Nadia Fuentes died from stomach wounds after soldiers in south Santiago began firing at random, witnesses said.

Claims that the three people killed on Tuesday were "terrorists" were rejected by Mr Seguel yesterday.

"We, the workers, and other organisations in this country say that this totally false information." he stressed.

Despite intimidation Chileans moved in force onto Santiago's streets at midday yesterday for a protest demonstration.

"Initially the march was pretty successful," the CNT leader said, "but it was brutally broken up by police and troops."

Sounding confident Rodlolfo Seguel nevertheless expressed satisfaction with the first information on Chile's general strike.

"It's too early to give concrete figures," he said. But "the results are as we predicted, possibly better."

"We have received thousands of telegrams from trade unions all around the world," Mr Seguel said.

Within Latin America "there are very close links with the trade unions of Argentina, Brazil and Uruguay.

"Their solidarity reaches us most quickly," he explained, "because they are so close."

Asked about the role British trade unions could take to help, the CNT leader said: "We need a lot of support for the actions we are now taking and solidarity at any level -- the work of organisations -- is very important."

Miners Leader Admits Failure

PY070146 Madrid EFE in Spanish 0243 GMT 6 Jul 86

[Text] Santiago, Chile, 5 Jul (EFE) -- Luis Guerra, president of the 'El Teniente' copper mine unions, today resigned because of the failure of the actions that were planned to express solidarity with the general strike held on 2 and 3 July.

Guerra, who is the union leader of one of the largest copper mines in Chile, said "I cannot continue heading something when my opinion is not heard even within my own union."

Guerra, who was elected union leader in his capacity as a leftist militant by the majority of El Teniente Mineworkers, explained that this is the second time that a march, like the one scheduled for 3 July to express solidarity with the first general strike against the regime of General Augusto Pinochet, has failed.

About 500 miners participated in a similar march held on 3 July in Chuquicamata, the largest open-pit copper mine in the world. The police arrested 38 of them.

CHURCH ASKS ARMED FORCES TO FORESAKE VIOLENCE

PY032224 Paris AFP in Spanish 1958 GMT 3 Jul 86

[Text] Santiago, 3 Jul (AFP) -- The Chilean Catholic Church today called upon the Armed Forces, whose mission is to protect the rights of the citizens, to refrain from actions capable of spurring the upsurge of violence in the country.

The Santiago archbishopric issued a statement on the events that took place on 2 July unfortunately leading to the death and injury of our brothers, damage to property and other actions designed to deal with disruptions of order that, to say the least, seem to be excessive and to cause more damage than what the forces of order seek to prevent.

The church statement also contains a message to all men of good will in general, and Catholics in particular, to behave in keeping with their love for peace and freedom and not to allow themselves to be swayed by provocations that distort the peaceful nature of any struggle for human rights.

The church statement also extended condolences to the relatives of the most recent victims of violence, and recalled the words of Pope John Paul II in Bogota yesterday. On that occasion the pope called for directing energy toward constructive and conciliatory actions capable of truly furthering the progress of the country.

Finally, the Santiago archbishopric's statement indicated that the ban which the military authorities levied against Radio Chilena prevents the latter from supplying the people with truthful and objective information.

POPE JOHN PAUL II ENDS VISIT WITH AIRPORT SPEECH

PA071849 [Editorial Report] Bogota Television Service in Spanish at 1628 GMT on 7 July broadcasts a live relay from Barranquilla Airport of the farewell ceremony for Pope John Paul II following his 7-day visit to Colombia.

After military honors are rendered to the pope by naval academy cadets, Colombian President Belisario Betancur delivers a 4-minute speech at 1638 GMT in which he states that after the pope's visit it is clear that "peace and social justice are inseparable" and that "we have a duty to protect the poor, the prisoners, the peasants, the workers, and the Indians. "No one can be deprived of their legitimate right to be heard," he says. Betancur adds that hope has been reborn with the pope's visit and that the Colombians now better understand their strengths and weaknesses.

The pope speaks at 1643 GMT, stating that he has fulfilled his desire to meet with "the sons and daughters of noble Colombia." He adds that he is leaving Colombia but he will accompany the Colombians in their difficult times. He ends his speech at 1649 GMT, thanking the Colombian president and officials for the courtesies accorded him and stressing the Colombian people's Christian faith. The pope then shakes hands with church leaders and unidentified military and civilian officials.

At 1703 GMT, the Pope boards the Avianca airplane that, according to the announcer, will take him to St Lucia, from where he will travel to Rome. The airplane takes off at 1725 GMT and the live relay ends.

EL TIEMPO: M-19 ATTENDED LIBYA MEETING IN MARCH

PA032337 Bogota EL TIEMPO in Spanish 29 Jun 86 pp 1, 3-A

[Excerpts] An M-19 delegation attended the so-called "Second International Anti-Imperialist Conference" held in Tripoli from 15 to 18 March of this year. The conference was attended by delegates of the entire world, including representatives of revolutionary and radical groups of all the South American, Central American, and Caribbean countries.

All the expenses were paid by the Libyan Government, which sent invitations, funds, tickets, and instructions through the Libyan People's Bureaus in some capitals of the region. The delegates of the Caribbean countries gathered in Curacao and traveled to Libya via Western Europe. Other delegates gathered in Brasilia, Panama, Caracas, Havana, and Managua and from there traveled by various routes to Libya.

Abdul 'Ashur, a member of the Anti-Imperialist Center and official in charge of Libya's revolutionary operations with Latin America, received the Latin American delegations and served as their guide.

The "Center for International Revolutions" was in charge of organizing the conference, which was chaired by Musa Kusah, director of the "Anti-Imperialist Center," who is very close to Colonel al-Qadhdhafi.

Al-Qadhdhafi delivered a lengthy speech in the inaugural session, launching violent attacks on the United States, France, and all imperialists in general. He then met with each of the delegations to discuss their specific situations and coordinate action plans.

A Libyan official indicated that the main objective of the conference was to establish an international force directed by Libya to reaffirm its preeminence as an anti-imperialist force. According to what was proposed, the armed forces would be trained, financed, and equipped by Libya and its headquarters would be in Tripoli. Each delegation will hopefully send 15 combatants to form it. Each contingent would then return to its country to continue the anti-imperialist struggle.

Libya's proposal to organize an international armed force led to controversy among the Latin American delegations, which did not reach unanimous agreement. The delegations which included representatives of parties that are legally recognized in their countries, were especially opposed to such a force, while the groups that are outlawed in their country and that are carrying out an armed struggle approved of such a force with great enthusiasm. The M-19 and Chile's MIR [Movement of the Revolutionary Left] enthusiastically defended the creation of the force.

This might explain what the M-19 stated in its "National Message: A Revolution Open to the World," which was published after a meeting of its national directorate with the Quintin Lame and the Alfaro Lives groups in the Cauca mountains between 10 and 28 April 1986 and which states in one of its sections:

"Today we have a broad team of men who are some of the best of the organization. This is of great benefit because it is an effort that is central to us. In this revolution that we are proposing, the America Battalion and what it means to us forces us to get closer to all the men and forces that have to play a leading role in our America."

It is therefore possible that the organization of the international armed force is already underway in Tripoli and that one of its participants is the M-19, thus permitting it to begin playing a leading role in our America.

Al-Qadhdhafi showed special deference towards the M-19. He interrupted his inaugural speech to pay tribute with a minute of silence to the memory of M-19 leader Alvaro Fayad, who had died days earlier in a clash with Colombian security forces.

It is evident that Libya wants to take over the leadership role in subversive activities in Latin America and to displace Cuba as the main sponsor of the revolutionary movements. The Libyan strategy of armed violence is more extreme than that of Cuba, whose delegation opposed the organization of the international armed force.

Due to the disagreements between the Libyans and Cubans, discussions on Libyan support for the revolutions in Central and South America were held in small and secret meetings. Libya has used its Libyan People's Bureaus and other Libyan facilities in the area, especially those in Nicaragua, to establish and maintain contact with the insurgent groups of Central and South America. It is believed the Libyan People's Bureau in Panama plays a key role for Libyan contact with and support for the radical and revolutionary groups of the region.

The first step in its plans in the Caribbean is a meeting of the so-called Coordinating Committee of the National Movement of the Caribbean, which should be held in the last days of April or early days of May [months as published] and will be directed by the Libyans.

The next step will be a more important conference with representatives of revolutionary groups of all the Caribbean under the direction of the National Movement of the Caribbean, which should be held in June or July, possible in Barbados. The Libyans are paying the expenses of this conference.

The facade to conceal the Libyan presence will be to state that the conference is for helping to develop a unified Caribbean nation. The Libyans will apparently propose the creation of the integrated armed forces of the Caribbean.

Everything indicates that an M-19 group is once again in Libya as part of the program on the international armed force. According to this plan, the group will return to Colombia to intensify terrorism.

ITALY REQUESTS EXTRADITION OF TERRORISTS

PY072147 Asuncion EL DIARIO in Spanish 5 Jul 86 p 21

[Excerpt] Judge Edgar Ruben Stanley has ordered the arrest of the following Italian fugitive terrorists: Roberto Moretto, Pier Giorgio Armanni, Efesio Lussu, Eugenio Zoppis, Giovanni Ventura, Luca Romeo, and Domenico Cristofaro. Their records have already been sent to the Interior Ministry so that the order may be conveyed to all police stations in the country.

The note, which was sent to the Paraguayan court by the Italian Justice Ministry through the Italian Embassy, points out that all of the above Italian citizens, whose extradition is requested, belong to "armed gangs and subversive groups."

A report by the local Italian Embassy states that Eugenio Zoppis "arrived in Ausuncion on 8 November 1985 on Iberia Airlines."

A court in Rome ordered his arrest on 20 October 1981 on charges of "subversive association and participation in armed gang activities." Another arrest warrant was issued in Rome on 16 April 1982,"for holdup, kidnapping, and assault."

The note added that all the fugitives belong to Italian subversive armed gangs. Luca Romeo, born in Rome on 19 February 1963, is charged with "belonging to the 'Terza Posizione' gang, and with extortion." There are many arrest orders against Domenico Cristofaro, who was born in Campobasso, and belongs to the "Prima Linea" armed gang.

The note sent by the Italian Embassy also reported an important detail. One of the fuugitives is allegedly living in our country: It reports that Eugenio Zoppis, born in Florence, arrived in Asuncion on 8 November, last year, on an Italian passport. Several dossiers were prepared and will be analyzed by court clerk Marcial Belotto.

According to the voluminous dossiers which were sent to the Paraguayan court after having been given to the Foreign Ministry, the fugitives are dangerous guerrillas. Two of the gangs, "Prima Linea" and "Terza Posizione," are very active in Italy.

COLORADO PARTY NOT TO PARTICIPATE IN DIALOGUE

PY072120 Asuncion LA TARDE in Spanish 3 Jul 86 p 10

[Excerpt] The Government Board of the ruling Colorado Party yesterday confirmed two notes that had been sent to the Paraguayan Episcopal Conference regarding the call to a National Dialogue. At the same time, it gave a vote of confidence to party president Juan Ramon Chaves on the conversation he held with Msgr Livieres Banks.

The top party leaders reported on that talk at the routine meeting of the Government Board held yesterday.

The party Government Board considered the church-sponsored National Dialogue a closed question, and upheld the party position stated in the two notes it sent to the Paraguayan Episcopal Conference: The Colorado Party, as the government party, will continue to hold dialogue with the opposition parties in Congress, the Electoral Boards, or the periodically held elections.

Requests from the eclesiastical hierarchy for the Colorado Party to participate in the National Dialogue will therefore no longer be considered. The party Government Board has already made its position known to the Paraguayan Episcopal Conference: It is not opposed to the initiative being implemented by the church, but its views are different. And this difference is such that it makes impossible a dialogue between the church and the party Government Board at this time.

PLRA CONVENTION ELECTS NEW PARTY PRESIDENT

PY071831 Asuncion HOY in Spanish 7 Jul 86 p 5

[Excerpt] Juan Carlos Zaldivar, candidate for the Change for Liberation Movement, was elected party president at the PLRA [Authentic Radical Liberal Party] convention held yesterday. In the winning slate, Domingo Laino and Juan Manuel Benitez Florentin were listed as first and second vice presidents respectively.

The result, which was known late last night, gave 229 votes for the winning slate and 183 for the losing slate headed by Miguel Abdon Saguier, who was the candidate for the Popular Mobilization for Change Movement. Miguel Angel Martinez Yaryes and Domingo Laino were candidates for the vice presidencies in the losing slate. Before the convention, Laino had turned down his nomination on the slate headed by Miguel Abdon Sagueir and expressed his support for Juan Carlos Zaldivar, who was selected the new party president. Since the winning slate is known to follow Laino's line, the exiled political leader is considered by observers as the true winner in yesterday's convention.

POLICE CHIEV DENIES LAINO ABUSE CHARGES

PY072316 Asuncion HOY in Spanish 5 Jul 86 p 7

[Paid advertisement entitled "To the Public" by Paraguayan Investigative Police Chief Pastor Coronel]

[Text] Uncovering a fraud -- a well-known script

In the name of our national calmness and peace, and after attentively following the reports made about Domingo Laino Figueredo's arrival in the country despite a government prohibition to do so, I, the Asuncion Investigative Police Chief, believe it is my duty to objectively inform the public of the true facts.

Background

Paraguayan security services were aware of a plan outlined by antipatriotic interests to take advantage of Domingo Laino's presence and discredit the national authorities by attempting to portray them as arbitrary. Obviously, in view of this purpose, no one would commit the error of undertaking actions that could be used for propaganda purposes and thus fulfill their objectives. It must be pointed out that according to EL PUEBLO newspaper's 2 July 1986 issue, pages II and III, .. "first, journalists and cameramen descended from the plane..." and "...there were no truncheons or electric prods." Therefore the charges that Laino or his escorts were attacked are simply nonsense.

Objectives

The objectives of this operation were always clear: Laino knows that due to his shortcomings he has been rapidly losing members from the psuedo party of which he is a member, and these members accuse him of calculating all his actions to fulfill his personal interests, which are inspired by his egocentric character, and because of his well-known Marxist inclination, which has been harshly criticized by Liberal Party members themselves (despite the fact that Laino never denied this inclination); Laino expected to improve his worn out image through this comedy, and to gain votes in the internal electoral struggle. This is why the operation was as carefully studied as if it were a script, to present the incident as an act of barbarism, of something of that sort.

In turn, the foreigners just had to play the role assigned to them by the script to damage the image of Paraguay. It is no secret to anyone that we are the targets of attacks by anti-Paraguayan interests. By the way, these foreigners are not bothered by the fact that their behavior was a clear interference in our domestic matters. For example, former U.S. Ambassador Robert White needed an incident to give him publicity because he is being ignored in his own country. Similar considerations can be made about other members of the party, who also support opportunities to gain notice for their political activities.

The facts

EL PUEBLO published on 2 July 1986 on pages II and III that "the escorts of the exiled leader surrounded him closely and started leaving the plane after having fully identified themselves." and that is exactly what happened. Ready to leave the plane, the foreigners together with Laino stood shoulder to shoulder and intended to pass by force. Apparently nothing would stop them. After the reporters had conveniently positioned themselves, they deliberatedly insulted, abused and provoked the forces of order, and they even injured the airport security chief, according to a medical report.

In the face of the deliberate commotion caused by Laino and his party, I, the Investigative Police Department chief, who was in the airport to accompany my subordinates and to ensure that the law was obeyed as always, was forced to enter the airplane tunnel. When the foreigners said that "if Laino does not descend we will not do so either," they were clearly but firmly told that "their attitude represented an intervention in our domestic matters" and that the presence of the forces of order "was meant to ensure compliance with an order from above that in no way included giving explanations to foreigners." They were told that they could get off the plane if they wished to do so, just as Admiral Lee had done, but he returned to the scene to continue playing his role in the script.

Under this circumstance, the airline company representatives requested a definition of the case because its flight schedules would have to be altered at its home airport. The presence of a U.S. Embassy member was then requested.

The U.S. consul arrived and explained to White and the other members of the party that the comedy had to end. Laino returned to his seat and the foreigners descended, as confirmed by EL PUEBLO newspaper on 2 July 1986 on pages II and III, stating that Laino had told his escorts: "...that enough has been done already." But, the comedy continued. An ambulance awaited Laino in Montevideo to take him to a hospital. Doctors there did not follow the script and soon after X-rays of Laino were taken, it was reported that he did not have a fractured rib or traces of blows. Laino's party also did not show any evidence of having been attacked as they had loudly declared. Moreover, Laino was totally drunk (a fact that he never denied).

Misinterpretations

We emphatically, definitely, and categorically deny having attacked anyone. We likewise deny the mean accusation of having threatened Laino with death. This is not our political struggle system and we do not need to use any violence or make threats to make our fair civic convictions prevail. I likewise reject White's false accusations of having committed abuses or having been present at them.

Conclusions

The comedy set up by professional agitators, with the obvious intention of disrupting peace and tranquillity in our country, has been uncovered.

It is unfortunate that foreigners who hold official posts lend themselves to this, as if they had nothing to do in their own country, with the shameless intention of interfering in our domestic affairs. the Uruguayan congressmen were at a loss and surprised. One of them even told EL PUEBLO" ... we were free to move, talk, make contacts within Asuncion..." he added: "...what strongly drew our attention is the way in which the media works..." (Lopez Ballestra). The other Uruguayan congressman (R. Asiain), also speaking with EL PUEBLO said: "...the security of any citizen who may come will be safeguarded..." All this is in writing and documented by EL PUEBLO, on 2 July.

Therefore, the irresponsible charges against us are not based on facts. Honest people may judge the events calmly and reach their own conclusions. Nobody has the right to distort the truth.

After all, the honest and responsible behavior of the superior Colorado government stands out. The government, through these events, has shown public opinion that the measures adopted against these agitators, moved and financed by foreign interests, is nothing more than another attempt to disrupt the proud defense of peace, tranquillity, and national sovereignty

Signed: Pastor M. Coronel, chief of Investigative Police Department. Asuncion, 4 July 1986

EL PUEBLO Views Incident

PY072315 Asuncion EL PUEBLO in Spanish 2 Jul 86 pp 2, 3

[Text] When the PLUNA [Uruguayan National Airlines] plane entered Paraguayan airspace, Dr Domingo Laino delivered an impromptu speech that the passengers welcomed with applause. This was to be the fifth time he would try to return to his country. Laino was accompanied by former U.S. Ambassador to Paraguay Robert White, Uruguayan Deputies Roberto Asiain of the Colorado Party and Oscar Lopez Balestra of the Blanco Party, international human rights association official Frank Larrow, U.S. Democratic Party member Alvin Rosembaum, former U.S. Admiral John Lee and International Political Development Center director Melinda Roehrick.

As the plane landed at the General Alfredo Stroessner International Airport at 1545, a large number of plainclothes policemen--there were no uniformed policemen among them--took positions at the ramp. The first to leave the plane were the foreign journalists and cameramen, who were followed by Laino and his entourage. All the other passengers remained inside the plane and could see what happened. The script designed by the Stroessnerists and by the police forces led by Pastor Coronel was totally changed.

In fact, the police believed that the passengers would be the first to leave the plane, as had happened on previous occasions, and that they would be able to deal with Laino and his entourage without eyewitnesses. The incident that followed took place in front of the passengers. We do not even dare imagine what would have happened had the passengers not been there.

Those who were accompanying the Paraguayan exile closed ranks around him and, after identifying themselves, decided to cross the police barrier to let Laino enter his country. In view of the confusion, of the fact that their plans had failed, and of the determination of those who came with Laino, the repressive forces reacted with their own logic, the logic of beating and verbal attacks. There were neither clubs nor electric truncheons, which are reserved for common people, for workers and for Hospital de Clinicas employees. But there was accurate punching, blows with the knee, and kicks, (Laino fell to the ground and when Lopez Balestra tried to help him he was seized by the neck). Laino's arms and wrists were also twisted, thus revealing that several policemen are experts in self-defense arts, which they do not use for self-defensive purposes.

"Tupamaros, subversives, Communists!" are some of the shouts that White and the rest of Laino's entourage heard, while a photographer of the Paraguayan Investigations department was taking pictures in search of evidence of any possible reaction from the visitors that might justify what the Stroessnerist forces finally did, in order to charge that the victims provoked the aggression.

As the incident would not end and as the security of the passengers was being jeopardized, Laino asked those accompanying him to think of the passengers and to let them leave the plane, because they had already tried hard enough, and no one else should be exposed to further aggression. He then returned to the plane and his attackers calmed down a bit. Laino had asked for permission to see his wife and children, but his request was not granted.

But the incident at the airport was not enough. During their stay in Paraguay, White and the Uruguayan deputies were under permanent police surveillance by plainclothes personnel. In the evening of 24 June, uniformed police personnel cordoned off Laino's house and did not let the people invited to a reception enter the house until Deputy Asiain arrived. The Uruguayan deputy managed to have the police respect the rights that must be respected everywhere (the police cannot prevent the people from entering a private house). All the people invited to the reception entered the house thanks to the intervention of the Uruguayan deputy, who again heard insults and provocations from a civilian. However, the deputy managed to succeed on the strength of his words, his determination, and reason, which are quite different from the methods used by the plainclothes personnel who were at the place.

At Laino's house, impassioned impromptu speeches revealed shame and anger over the repression, pain because of the absence of the owner of the house, and hope that Laino, a man who rejects the tyrant's decision to trample on his rights and keep him far from his fatherland, will return.

The case had international repercussions, because it revealed the true nature of Stroessner's 32-year-old dictatorship, which has been marked by injustice, corruption, and aggression. The Uruguay Government lodged a protest over the incidents on 24 June.

The incident made a front-page headline in THE WASHINGTON POST; it was covered on the third page of THE NEW YORK TIMES. Several countries could see the pictures and films of this barbarous act on the evening of the same day on which the incident happened. Even the Argentine television channel in Formosa province provided wide coverage of the incident.

The Uruguayan Government expressed "its formal protest over the treatment given to Uruguayan lawmakers, which was totally incompatible with the civilized treatment that must be given to people who peacefully arrive in that country. This fact is even more serious because of the rank of the persons involved, who carried diplomatic passports. The Uruguayan Government repudiates this type of incident and points out that they do not contribute to the atmosphere of good relations that the Uruguayan Foreign Ministry has always sought to promote."

This time, the dictatorship's thugs made a big mistake. The future will determine how big a mistake it was.

PRF CRITICIZES EXPULSION OF RADIO DIRECTOR

PY050235 Asuncion EL DIARIO in Spanish 4 Jul 86 p 8

[Text] The executive board of the Febrerista Revolutionary Party [PRF] yesterday issued a communique describing as "a repressive measure against the press the government's decision to prevent Father Javier Arancon, director of Radio Charitas, from returning to the country after confiscating both his identification and residence papers."

The PRF believes this measure "is designed to silence a radio station that has been honest and faithfully accomplishing its reporting mission. It is another attack against the freedom of radio stations, which adds to the shameful case of Radio Nanduti."

BRIEFS

JANUARY-MAY INFLATION FIGURES -- With a monthly rate of inflation that was 5.6 percent in January, 6 percent in February, 0.7 percent in April and 0.7 percent in May, the 5-month inflation rate is 17 percent. The 12-month inflation rate was 40.6 percent in April and dropped slightly to 39.7 pecent in May. [Summary] [Asuncion ULTIMA HORA in Spanish 2 Jul 86 p 12 PY]

EXPORTS DECREASE -- Total exports have fallen from $190.3 million during the first half of 1985 to $101.6 million during this year's first half, a 46.6 percent drop. [Excerpt] [Asuncion ULTIMA HORA in Spanish 2 Jul 86 p 8 PY]

REPUBLICAN GUARD CHIEF RETURNS TO ACTIVE DUTY

PY071613 Madrid EFE in Spanish 2201 GMT 7 Jul 86

[By Marison Marin]

[Text] Lima, 6 Jul (EFE) -- Backing down from its previous stand, the Peruvian Government today announced that Republican Guard director General Maximo Martinez Lira will remain on active duty. This means the violent repression in the Lima prison will have no repercussions on either police or military commanders.

Gen Martinez Lira was removed from his post and retired on 28 June by decree published on 30 June. The decree said that the general had tendered his resignation.

In a statement to two major weeklies that will appear on 7 July, Martinez said that he did not resign or ask to retire and that, consequently, the decree was "groundless."

Martinez Lira said that his position is fully supported by the Armed Forces Joint Command, which is made up of the commanders of the three branches.

The decree repealing the previous resolution states that the government had "removed" the Republican Guard director, but that he "remains on duty at the police general directorate."

Martinez Lira will remain in his post as the goverment has not yet designated his replacement.

Gen Martinez Lira was the head of the police forces that were charged with executing over 100 inmates at the Lurigancho prison on 19 June.

Peruvian President Alan Garcia had said that the authors of "that horrendous crime" would be imprisoned at the Cantogrande top security prison "with the murderers and killers of their kind."

Even though official sources have said that some 90 officers and soldiers are involved, no one has so far been sent to Cantogrande and, according to reliable sources, it seems that only about 20 of them will be formally charged.

The decision against the Republican Guard is known to have caused considerable displeasure in this institution, which has received general expressions of solidarity and support from the Civil Guard and the Investigative Police.

Many people recall what happened on 5 February 1975 when the Civil Guard rebelled and left Lima without surveillance. Several people died and all sorts of crimes were committed on that day.

The Republican Guard's duty is to provide surveillance and security at prisons, borders, and public buildings.

The operation performed in Lurigancho on 18 and 19 June was led by the Army, although the responsibility for the action ultimately rests with the Joint Command, which the government had ordered "to restore order and authority."

An unusual deployment of police and military forces has been observed in downtown Lima today. Two small Army amphibious tanks were deployed at the Government House yard and two others in front of the U.S. Embassy.

Last night there were seven small tanks guarding Government House. Some of them were in the yard while others were guarding the access to the area.

Now that the government has changed its mind on the removal of the Republican Guard director, all the military and police commanders involved in the repression of the mutinies, in which some 300 people died, remain on active duty.

Almost 20 days after the massacre, former Justice Minister Luis Gonzalez Posada appears to be the only "political" victim. His removal and resignation were taken for granted in view of his ostensible absence at the more difficult moments of this still unresolved crisis.

According to official sources, on 28 July, Peru's national day, the president will announce a cabinet reshuffle, a measure that is routine on that day. Nothing is known for sure and there is only speculation over the future of the Armed Forces Joint Command members, with whom President Garcia met twice last week. Not a single detail has leaked on the subjects discussed during those two meetings.

While some rumors say that Army Commander in Chief General Guillermo Monzon, the Joint Command's president, will be removed, others say that the navy, war, and aeronautics ministers will be replaced. However, the ministers hold political posts and, consequently, their responsibility is the same as that of the rest of the cabinet.

Many observers have recalled that in September 1985 the president dismissed Air Force General Cesar Enrico Praeli immediately after the bodies of more than 60 dead peasants were found in a common grave in Accomarca, Ayacucho. Praeli was the president of the Joint Command, which has led the antiterrorist fight in the emergency zones. That decision by the president was praised both at home and abroad.

BUS REPORTEDLY HIJACKED IN SAN ISIDRO

PY050330 Madrid EFE in Spanish 0244 GMT 5 Jul 86

[Excerpt] Lima, 4 Jul (EFE) -- A bus of the Peruvian state-owned bus company was hijacked today by a group of alleged armed terrorists as it was traveling along one of the main avenues of the San Isidro district in Lima.

It was learned from police sources that a Civil Guard officer managed to jump from the vehicle when it was taken by unidentified individuals. The officer reported the incident to his superiors, and noted that several policemen were among the passengers.

The bus, which was going from Lima to Villa El Salvador, was hijacked as it was traveling on Javier Prado Avenue.

There are no further details on the whereabouts of the bus. A police search is already underway.

Interior Minister Denies Report

PY071728 Lima Television Peruana in Spanish 0100 GMT 6 Jul 86

[Text] The Interior Ministry today denied press reports on the supposed capture of a bus and kidnapping of its passengers. These reports are based on rumors proven false, the Interior Ministry communique says, adding that the government deplores the reporting of rumors without their being previously verified, because doing so only contributes to creating anxiety among the public.

The communique was released by the Communications Office of the Interior Ministry.

MRTA CAR BOMB BELIEVED DIRECTED AT U.S. TARGET

PY071616 Paris AFP in Spanish 1436 GMT 7 Jul 86

[Text] Lima, 7 Jul (AFP) -- Two terrorists were blown to pieces in Lima when they were setting up a car bomb in a hideout of the clandestine Tupac Amaru Revolutionary Movement (MRTA), according to Civil Guard reports here today.

Officials said they belived the car bomb was intended for a U.S. installation to mark U.S. Independence Day and the 100th anniversary of the Statue of Liberty.

The car bomb exploded last night in a garage of a house located in the densely populated San Martin de Porres district, damaging four houses. The police said the explosion apparently occurred when the subversives were trying to install a timing mechanism in the car, which contained 50 kg of dynamite.

The two terrorists setting up the bomb were blown to pieces and, according to Peruvian officials, they have not yet been identified. MRTA leaflets and pennants and weapons were found in the house.

A police spokesman said it would have been difficult for the terrorists to use the car against the U.S. Embassy or against any U.S. company because they are all well-protected.

Army tanks and special police forces have guarded the U.S. Embassy and other U.S. facilities in Peru since last week to prevent possible attacks.

In May, the MRTA detonated a car bomb at the residence of Ambassador David Jordan, and last month it detonated another one near a building of the multinational Occidental Petroleum company. These attacks caused heavy damage but no injuries.

REPORTAGE ON 6 JULY ELECTIONS; PRI CLAIMS VICTORY

Chihuahua Results

FL071242 Mexico City NOTIMEX in Spanish 0326 GMT 7 Jul 86

[Text] Chihuahua, Mexico, 6 Jul (NOTIMEX) -- The PRI has won the elections held in the state of Chihuahua today, obtaining a majority of votes in the 67 municipalities in the stae, PRI delegate Manuel Gurria Ordonez has announced.

Likewise, he gave information on his party's victories in the municipalities of Juarez, Chihuahua, Delicias, Nuevo Casas Grandes, Casas Grandes, among many others.

He noted that the information on the victory of the candidate to the governorship, Fernando Baeza Melendez, was supplied by some 36,000 political bosses, party representatives at polling stations, and results of vote counting.

He added that the electoral authorities will be the ones to officially announce the results of the voting, and stressed that the elections were held in a climate of tranquility and social peace.

Durango Results

FL071305 Mexico City NOTIMEX in Spanish 0405 GMT 7 Jul 86

[Text] Durango, Mexico, 6 Jul (NOTIMEX) -- The PRI candidates have won an overwhelming victory with 80 percent of the electoral rolls in elections held today in the northern state of Durango.

PRI delegate Fernando Mendoza Contreras made the announcement, indicating that according to party infomation, sectional leaders, and presidents of municipal committees, the candidates of the ruling party obtained 500,000 votes of an official electoral roll of 700,344 voters.

He said the elections had been held in a climate of tranquility and social peace due to the maturity and community spirit of the citizens.

Likewise, he asserted that abstentionism had been defeated by a high percentage, inasmuch as the majority of the population had gone to the polling stations to vote. This was due, he said, to the popularity of the PRI candidate for governor, Jose Ramirez Gamero, who had identified himself with the people as demonstrated by the poll conducted prior to the elections.

The PRI delegate stressed that his party had obtained a decisive victory with the candidates to the governorship, 38 municipalities, and 12 deputations.

Mendoza Contreras denied there had been any major incidents during the voting, as had been repoted by the opposing National Action Party (PAN), which said there had been violence.

Zacatecas Results

FL071324 Mexico City NOTIMEX in Spanish 0411 GMT 7 Jul 86

[Text] Zacatecas, Mexico, 6 Jul (NOTIMEX) -- The ruling PRI has won the elections for governor, municipal committee presidents of the central state of Zacatecas, and deputies, the party's National Executive Committee (CEN) has announced. The state's CEN delegate, Carlos Rivera Aceves, reported that according to polling station statistics, more than 75 percent of the population had cast ballots in a climate of tranquility and civic rejoicement.

He noted that in polling station No 19, located in the municipality of Sombrerete, of the total votes cast, 271 were for the PRI and 37 for the opposing National Action Party.

The president of the Zacatecas electoral commission, Juan Antonio Castaneda Ruiz, said the official results will be announced next Sunday, but that the PRI had obtained a majority of the votes.

Michoacan, Campeche Results

PA071544 Mexico City XEW Television Network in Spanish 1340 GMT 7 Jul 86

[Excerpts] Luis Martinez Villicana, PRI candidate for Michoacan governor, was the winner in yesterday's elections, according to unofficial results. The official results will be issued by the local electoral commission on Sunday. According to the documents signed by the representatives of the parties, the winner was Luis Martinez Villicana. The elections in Michoacan were held in complete calm. Here is Manuel Renteria with more information:

[Begin Renteria recording] According to the initial results, the unquestionable victory of PRI gubernatorial candidate Luis Martinez Villicana was announced. Deputy (Graciano Bordoni Urteagua), PRI delegate in Michoacan, said that the PRI candidates for local deputies were also victorious. He said that the results are derived from 54 percent of the voting booths and that they are unofficial, preliminary results. The votes from 1,229 out of the 2,297 voting booths distributed throughout the state have been counted. To date, the PRI has obtained 381,739 votes; the PAN 28,032; the PDM [Mexican Democratic Party] 11,498; the PARM [Authentic Party of the Mexican Revolution] 9,036; the PST [Socialist Workers Party] 8,721; the PPS [People's Socialist Party] 4,729, and the PSUM [Unified Socialist Party of Mexico] 4,007 votes. He said that these figures are contained in the voting documents signed by the representatives of those political parties. He indicated that the elections took place in complete calm and that there were no unfortunate incidents. He said that abstentionism is gradually being overcome. The deputy reiterated that these figures are preliminary and that the results of 85 percent of the votes should be known today. [end recording]

In yesterday's elections in Campeche, the PRI proclaimed the absolute victory of its candidates. There were no irregularities at the 362 polling stations. Twenty-one deputies of the state legislature were elected in Campeche. Six parties participated in the elections. The official results have yet to be issued. The new deputies will not be announced until tomorrow.

Yesterday, PAN president Pablo Emilio Madero said that the Mexican people went to the polls in perfect order. Here is a report by Rolando Medina:

[Begin Medina recording] PAN president Pablo Emilio Madero said last night that the Mexican people went to the polls in complete calm to cast their votes in Chihuahua, Durango, Zacatecas, Michoacan, Campeche, and Baja California Norte. He said that concrete results are not yet available and that he will wait for the final results of the elections. He said he is sure that there was no violence at the polling stations. He added that at 2130 he was informed that in Ciudad Juarez, the people were standing in long lines to vote. Madero said that in Mexicali, with the results of 12 voting booths counted at the time he was interviewed, his party had obtained 50 percent of the ballots.

Like most people, the PAN president said that he was convinced that the two strongest states in these elections are Chihuahua and Durango, where there was greater voter turnout, as opposed to Michoacan, Campeche, Baja California, and Zacatecas where the turnout was not as large. He said that he will not speak to the press until today, Monday, or Tuesday to give his opinion, having figures in hand. Meanwhile, he said he will not adopt any position because he hopes that the count will be honest. [end recording]

FOREIGN SECRETARY LEAVES FOR EUROPEAN VISIT

FL071831 Mexico City NOTIMEX in Spanish 0056 GMT 6 Jul 86

[Text] Mexico City, 5 Jul (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda Amor today traveled to Europe to strengthen relations between Mexico and the old continent.

During his stay in Europe, the Mexican foreign secretary will visit Spain, Portugal, the Netherlands, and France from 7 to 18 July. These nations are members of the European Common Market, which is Mexico's second largest trading partner.

Sepulveda's visit to Madrid, Lisbon, and The Hague will facilitate an exchange of views on future cooperation between Mexico and the EEC and will examine the possibilities of widening bilateral relations with those countries through the development of an economic, technical, and cultural cooperation program.

Sepulveda Amor will also explain the Mexican Government's stand on several matters which are currently calling the international community's attention, such as regional conflicts which threaten world peace.

Regarding economic matters, the Mexican foreign minister will talk about the serious crisis affecting the international system, especially the economic sector of developing countries.

He will refer to relevant matters such as the foreign debt, trade protectionism, the need to increase financing resources for development and stability, and the rearrangement of world economic relations in the field of oil and trade and of other raw materials.

During his visit to Spain, Sepulveda Amor will hold talks with President Felipe Gonzalez. They will examine bilateral relations between Mexico and Spain, and will hold talks with President Felipe Gonzalez. They will examine bilateral relations between Mexico and Spain, and will exchange views on international and regional matters which are of interest for the two governments.

In Lisbon, the foreign secretary will be received by Portuguese President Mario Soares and will convey him a personal message from President Miguel de la Madrid Hurtado.

During his visit to The Hague, the official will deliver a letter from the Mexican head of state to the Netherlands Prime Minister Ruud Lubbers.

After these visits, the diplomat will preside over a working meeting between Mexican representatives to international organizations to be held in Paris on 17 and 18 July. This meeting will jointly assess the diplomatic activities of the Mexican Government in the multilateral sphere and its possibilities.

FINANCE SECRETARY REPORTS ON VISIT TO U.S.

PA061330 Mexico City XHDF Television Network in Spanish 0130 GMT 6 Jul 86

[Text] During an interview for IMEVISION, Mexican Finance and Public Credit Secretary Petriccioli said that Mexico's tax system will try to collect more through increased efficiency, rather than through higher tax rates.

The official was interviewed within the framework of the 18th annual meeting of fiscal officials, being held in Acapulco. Petriccioli discussed several national matters. He said that in negotiations with the international community, support for several months is being sought. He also said that a bridge credit for Mexico has not yet been approved.

[Begin Petriccioli recording] In my recent trip to the United States and according to President De la Madrid's instructions, no bridge credit was discussed or proposed. We presented an economic program for our country for the next 24 months. We went there to agree on actions and, if possible, reach accords for a flow of funds for about 18 months. [end recording]

As for the recent reduction in interest rates applied by the World Bank, the treasury secretary said that this agency is showing its interests in promoting development in this way.

[Begin recording] [Petriccioli] This World Bank stance recognizes the interests of debtor countries, particularly those of Latin America and the Cartagena consensus, to be able to achieve, in addition to lower costs, credits under more favorable terms that will permit all of our countries to economically reactivate themselves.

[Reporter] We have a question. During the past few days, rumors have been heard that the bank undersecretariat will be eliminated and that even Undersecretary Sales Gutierrez will no longer have a job.

[Petriccioli] Just as the rest of the federal government, the treasury secretariat is making a serious effort at rationalization. We must work for greater efficiency, but with lower costs. We are currently conducting a study to restructure the secretariat to be able to meet the proposed objectives of recovery, savings, and austerity. We have not yet concluded this study. Sales Gutierrez is still the bank undersecretary and continues to have all the authority and responsibilities inherent in his post.

[Reporter] Regarding the handling the country's banking affairs, will efforts be made to make banks profitable and ensure that their services be given at a reasonable cost in such a manner that banks will not have to work on the basis of subsidies or absorb bank deposits to defray their own costs?

[Petriccioli] Mexican banks cannot and should not be the object of any subsidies or transfers. The government's relatively scarce resources must be devoted to the basic priorities of investment, social service, health, and housing. Banks should not and cannot be subsidized. Banks must be self-sufficient. This requires -- it is possible to move forward and we must move forward -- greater efficiency, production, and productivity. At the same time, the banks have the responsibility to serve depositors better, as well as the banks' other customers. One way of strengthening the bank's finances without burdening the budget will be to put up for sale in the market -- at the proper time when the banks require this step -- a minority percentage of their capital shares. This is to say, the increases required in the banks' capital will not be made by the federal government, but will be obtained through the productivity and efficiency of the banks, and the opening of a minuscule percentage of the bank shares to the public that has confidence in the industry. [end recording]

The Acapulco meeting will be closed by the president tomorrow.

1986 FINANCIAL COMMITMENTS TO BE FULFILLED

FL032235 Mexico City NOTIMEX in Spanish 0300 GMT 3 Jul 86

[Excerpt] Mexico City, 2 Jul (NOTIMEX) -- Mexico will be able to fulfill its commitments to the international financial community during the 1986 with income derived from tourism, assembly plants, border transactions, oil exports, as well as income from the soccer World Cup. This was announced by the Mexican Secretariat of Finance and Public Credit. It indicated that during this year's second quarter, Mexico will have to pay $3.6 billion on interests payable in monthly installments amounting to around $600 million.

The secretariat explained that Mexico only has a $950 million lag in direct payments to its foreign debt that were due last October. Payments were deferred because of last September's earthquakes. The payment of new accounts will be postponed until next October.

On another matter, it said there is nothing official regarding the elimination of the banking undersecretariat but suggested the possibility of it turning into a directorate because it already fulfilled its objectives such as banking legislation.

EL SALVADOR

VENCEREMOS REPORTS JUNE CASUALTY FIGURES

PA040442 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Jul 86

[Text] Attention, here are the military casualty figures for June. Pay close attention. The FMLN inflicted 667 casualties on the puppet Army in June. We repeat: the FMLN inflicted 667 casualties in June. Of these 667 casualties, 65 casualties were inflicted by mines, and 124 of them by ambushes of enemy troops. Among the 667 casualties, we count 12 officers -- including 2 pilots -- 3 cadet lieutenants, 14 sergeants, 8 subsergeants, and 19 corporals.

The following weapons and installations were partially or completely destroyed: the 3d Infantry Brigade headquarters; 3 helicopters destroyed at the Plaza de Armas; 2 helicopters damaged in combat; 2 military vehicles destroyed; 106 rifles destroyed; and numerous support weapons destroyed inside the 3d Infantry Brigade headquarters.

The following weapons were seized from the enemy during the month of June: 59 U.S.-made rifles, one 90-mm cannon, three M-60 machine guns, one M-79 grenade launcher, three PRC-77 radios for military communication, and communications equipment found at the 3d Infantry Brigade command post. Similarly, dozens of grenades and mines were seized, as well as thousands of cartridges for rifles and support weapons.

During the month of June, the FMLN, thanks mainly to its clandestine militias, sabotaged 77 units, including power pylons, towers, and transformers. Along that same line in June we also completed a 7-day transportation stoppage which, according to the estimates of the enemy itself, resulted in losses of approximately 70 million colones.

The General Staff can only display its poor propaganda which makes the people laugh. The only thing the colonels want to show is their high number of incoherent offensive arguments. We show the ruins of the 3d Infantry brigade Headquarters, the rubble of the helicopters, the trucks, [words indistinct] the troubled face of General Vides Casanova when he is talking about attacks carried out treacherously and complaining because our actions are carried out during the night. That is the image of the cowardice of those who cannot militarily defend that for which they now cry. [words indistinct] They show their troubled faces, we show our invincible paracentral territory, making it into [words indistinct] of enemy operations.

GUATEMALA

CEREZO CALLS FOR DOMESTIC PEACE, EXILES' RETURN

FL041844 Mexico City Notimex in Spanish 0400 GMT 4 Jul 86

[Excerpts] Mexico City, 3 Jul (notimex) -- Guatemalan President Marco Vinicio Cerezo has invited the Guatemalan guerrillas and political exiles to lay down their arms, close down the foreign opposition movements, and join the political life of the nation with the guarantee that their ideological positions will be respected.

Interviewed during the reception given him by Guatemalans living in Mexico, the Guatemalan president said the necessary measures have been taken and the conditions set for the return of any group that wants to participate in legal political activities. He said the nation needs all its sons to overcome its problems.

He said the people have chosen peace, and we must abandon confrontation and find a mechanism for strengthening national aspirations. He said there have not yet been any conversations with guerrilla members, although he has spoken with exile groups about their return. He said: We believe we have made consistent progress on human rights in all political sectors. Cerezo added: Persons who do not live in Guatemala have to go and see what is happening and refrain from speaking outside of the Guatemalan context, and not say for example that they do not want to return because violence persists and there are no guarantees.

Cerezo said we want to transfer the discussion from the mountains to the political forums and the university classrooms. We want to end the confrontation, which is becoming unnecessary. As long as someone acts violently, there will be a violent response. What we want is dialogue and discussion. Anyone, whatever his political position, has the right to argue if he wants to.

CEREZO ON PERSONAL INFLUENCES, DCG DOCTRINE

PA060440 Mexico City XHDF Television Network in Spanish 0300 GMT 5 Jul 86

[Interview with President Vinicio Cerezo by XHDF Television Network newscast director Angel Trinidad Ferreira on 4 July in Mexico City -- recorded]

[Text] [Ferreira] Good evening and thank you for watching our Imevision program. As you know, Vinicio Cerezo Arevalo was wafted into the Guatemalan presidency by the democratic winds prevailing in that brotherly country. His arrival was a breath of fresh air into an atmosphere rarified by a dictatorship. The power of the votes replaced the power of the rifles. Democracy is a reality in Guatemala, which is linked to Mexico. Better put, our two countries are united by hopes for peace, freedom, and justice and by a quest for each people to seal their own destiny in a sovereign manner. The quetzal is Guatemala's symbol and could well represent the purest hopes of the Mexican people, because it is a bird that cannot stand living in captivity. However, I would like to ask you: Guatemala lived for many years under dictatorships. So, how could a man with democratic ideals emerge in a country that (?has endured) 19 years of military dictatorship?

[Cerezo] Well, during these past 19 years there have been various governments and various attempts to steer the country toward a democratic path. However, my aspiration was born when I was very young. In 1954, following the U.S. intervention that (?overthrow) the government of the 1944 revolution headed by Jacobo Arbenz, we, a large group of children who had been inspired by the 1944 revolution -- I was 12 or 13 at the time -- decided to strive individually and collectively to bring back to Guatemala in some way that climate of freedom and democracy in which we felt that our forebears had lived for many years. We went through [words indistinct] San Carlos University (?and) the National University, where our aspirations and desire to work grew deeper. I made my way amid the danger posed by the violence, which was interspersed by brief periods of freedom, and engaged in the political work of an organizational type until I succeeded in reaching this important stage in my life.

[Ferreira] What party do you belong to?

[Cerezo] In Guatemala, it is called Guatemalan Christian Democracy [DCG]. The DCG belongs to an international ideological movement; that is, there are many other parties in many countries but with different manifestations in each one of those countries. The DCG is regarded as one of the most leftist-leaning Christian Democratic parties, we might say, because of its advocacy of changes and some reforms of a structural nature, always in keeping with the peaceful method of political participation.

[Ferreira] Hypothetically, if you had an opportunity to interview a great historical figure, such as a politician, a philosopher, or a writer, what figure would you choose to talk with?

[Cerezo] During my political career I have been much impressed by some figures, such as Simon Bolivar and Lazaro Cardenas in Latin America. These are the leaders who have impressed me the most because of the strength of their convictions and their projection into the future. In Europe I was very much impressed by Winston Churchill and, well, Napoleon Bonaparte with his inadequate combination with [word indistinct] the time in history in which he happened to emerge. During modern times in the United States by Roosevelt, of course, by Theodore Roosevelt, pardon me, Franklin Delano Roosevelt, who established a system of political participation with a new approach in the United States. This is one of the figures who has impressed me most in the, let us say, modern political (?history) of the United States.

[Ferreira] And how about philosophers?

[Cerezo] Among the philosophers, Aristotle is one those who have impressed me the most because of the diversity of his thinking and because of the accuracy in his analysis of causes and effects [words indistinct] a permanent logic in the analysis of things. I have always been very much impressed by this.

[Ferreira] Mr President, since you have held a number of talks with Mexican President Miguel de la Madrid, could you tell me if any agreements have been reached or fundamental points of concurrence been found to seek solutions to bilateral problems? What progress has actually been made in the solution of bilateral problems? We know that there is the question of the refugees, we know that there are some other small problems. Has any progress been made?

[Cerezo] Look, I think we started negotiations on a good footing. We started on the basis of our current situation. Mexico, Guatemala, and the rest of Latin America are suffering from the world economic crisis and from a regional political confrontation that could lead us to become involved in the East-West conflict. We have already considered the two points of reference that helped us make progress toward the solution of bilateral problems, first in a broad and later in a specific perspective. We cannot establish a proper bilateral relationship without realizing our position in the regional and global context.

[Question] Your opinions on Alan Garcia and Fidel Castro?

[Cerezo] Well, I think Fidel is a leader who acquired great prestige in 1962. Many of us admired him at the time because of his revolution. Yet, after being president of a country for 22 years, any idol topples. It is impossible that another Cuban able to lead the revolution cannot be found. [Chuckle] I think he must be replaced. I still regard him as a very important political leader, but I feel he has slipped a little. Political leaders [words indistinct] withdraw in time. Alan Garcia is a new figure in the Latin American leadership. He is bold and has good qualities. I feel he is having to cope with a very difficult situation. I am sure that with leaders like him, we will be able to consolidate democracy in Latin America.

HERNANDEZ VIEWS GUERRILLAS, DEVELOPMENT POLES

PA040325 Guatemala City PRENSA LIBRE 3 Jul 86 p 13

[Text] Rebels in Guatemala continue operating because of the arms they receive from a neighboring country, Guatemalan Defense Minister Jaime Hernandez said.

He said an RPG-2 was seized in a clash between the Army and guerrillas. This weapon gives an idea of the support that the guerrillas receive to harass the security forces.

The officer did not specify the amount of aid the rebels get. He said, however, that this is one of the reasons for the continuation of the rebel operations.

The 56 model villages designed and controlled by the Army will be turned over to the Development Ministry when the new authorities feel the time is right, he said.

He said that the presence of the military in these hamlets must continue through the civilian defense patrols "or, at least soldiers to cooperate in the security efforts necessary for the residents."

The 56 model villages include numerous families, mainly peasants. The villages have from 50 to 300 housing units.

LEADERSHIP DISAVOWED FOR CONDECA REVIVAL

PA050218 Panama City ACAN in Spanish 1905 GMT 4 Jul 86

[By Mario Rolando Sierra]

[Text] Guatemala City, 4 Jul (ACAN-EFE) -- Guatemalan Defense Minister General Jaime Hernandez Mendez told ACAN-EFE today that Guatemala will not assume the leadership for the reaction of the Central American Defense Council [Condeca].

Condeca was created in the sixties upon the initiative of Nicaraguan dictator Anastasio Somoza to coordinate the struggle against the incipient guerrilla movements in the region, but it became inactive after the Sandinist revolution in 1979.

Gen Hernandez said that the idea of reactivating the regional military organization was brought up during an "informal" meeting held by the defense ministers of Guatemala, El Salvador, and Honduras in Esquipulas on 25 May.

The defense minister added that, as president of the inactive Condeca, he first had the idea of holding a dialogue with his counterparts in the Central American nations, including Nicaraguan President Daniel Ortega [as received], "for its reactivation."

Nevertheless, Hernandez said -- without stating the reasons for his change of attitude -- that he will make the trip through Central America during the second half of July to "exchange viewpoints" with the top-level military leaders.

"Guatemala is not particularly interested in reactivating Condeca," said Gen Hernandez, who added that, nevertheless, he is willing to hear the views of all the other defense ministers in the area.

The reactivation of this regional military organization, at the initiative of what has been called the "Central American military triangle" -- comprising El Salvador, Honduras, and Guatemala -- has encountered adverse political reactions.

Salvadoran Vice President Rodolfo Castillo Claramount recently referred to the reactivation of Condeca and said: "Central America does not need it now, because that is not the road to peace."

He said that "the peace of democracy, understanding, respect, and nondestabilization of one government by another" is what should prevail.

Nicaraguan Vice President Sergio Ramirez Mercado said that his country continues to be part of Condeca, but considers that "the U.S. Government wants it reactivated as an instrument of aggression."

Ramirez added: "Guatemala has assumed a crucial role by refusing to reactivate this mechanism as an instrument of isolation and military aggression against Nicaragua."

The defense ministers of the Central American nations, who act as representatives to the military organization, have not met for the last 8 years.

Gen Hernandez will hold a dialogue with his counterparts in the area, on a still unspecified date this month, "concerning the convenience of reactivating the organization."

Hernandez said: "The defense ministers of El Salvador, Honduras, and Nicaragua will decide whether to hold a meeting "after my tour through Central America."

He reasserted that he will establish "these contacts" as president of Condeca, but Guatemala "will not take the initiative for its reactivation."

ARMY DENIES GUERRILLA ROLE AT QUEZALTENANGO

PA080126 Panama City ACAN in Spanish 2358 GMT 7 Jul 86

[Text] Guatemala City, 7 Jul (ACAN-EFE) -- An Army spokesman has said today's explosion at a dynamite warehouse in a garrison in the western city of Quezaltenango, which killed 7 persons and seriously injured 24, was an accident.

Colonel Juan Francisco Cifuentes told ACAN-EFE that the Quezaltenango military base, located 227 km west of the capital, was used to store explosive material from the area's state and private companies.

The official said that two employees of the national electricity institute came in at noon to leave the dynamite at the warehouse. Apparently a case of fuses was dropped and made contact with the explosive material, causing the mishap.

The explosion affected the Quezaltenango garrison's soccer field, the chapel, and a classroom. It killed five soldiers as well as the two electricity company workers, the spokesman reported.

Fragments of the victims were found 50 meters from the site of the accident.

Red Cross workers and volunteer firemen transferred the 24 people who were seriously injured to the Quezaltenango hospital.

An official flatly denied that the explosion was caused by the guerrillas, as civil sources had suspected at first.

"A terrorist action is ruled out," Colonel Cifuentes said.

The Quezaltenango region is where two guerrilla organizations, the Revolutionary Organization of the People in Arms (ORPA), and the People's Guerrilla Army (EGP), are operating.

HONDURAS

BISHOP VEGA REPORTS ON EXPULSION FROM NICARAGUA

PA071717 Tegucigalpa Radio America in Spanish 1546 GMT 7 Jul 86

[Excerpts] Msgr Pablo Antonio Vega, vice president of the Nicaraguan Episopal Conference, made his first public appearance yesterday after Sandinist officials turned him over to Honduras on Friday. He again expressed his solidarity with the Nicaraguan people and commented on several aspects of the persecution against the Catholic Church in Nicaragua. Vega officiated at a mass at the San Miguel Salesian Institute in Tegucigalpa yesterday.

In his homily, he said that he will never again clean the shoes he was wearing. He said that it does not matter that they are muddy because they carry the mud of Chontales, his hometown in Nicaragua.

According to the Sandinist government, Vega was expelled because he violated the country's state of emergency. He was also accused of slandering the Sandinist revolution and carrying out campaigns in favor of the United States.

Vega was last seen in Juigalpa, Chontales department, on Friday morning, before being turned over by Sandinist authorities to Honduran immigration officials at the La Fraternidad border post.

[Begin Vega recording] I come from Chontales where I have to [words indistinct] the images of those who live in Chontales. Yesterday, I had the opportunity to shine my shoes but I did not do so when I realized that they had mud from the land of Chontales, where I experienced the infamous, as the Chontales people know it, [words indistinct] they took me there, and at (?0815) on the morning of 4 July, I was taken to see Agustin Lara, the political chief of Region 5. He was not waiting for me to talk with him but to tell me that I was being detained. They immediately [words indistinct] another street, I did not even know where they were taking me [words indistinct] penitentiary system. I thought they were going to keep me there. However, there were two helicopters on the baseball field. They put me in one and the other one followed us.

ENTRY OF NICARAGUANS, LIBYANS, OTHERS RESTRICTED

PA071649 Panama City ACAN in Spanish 1600 GMT 7 Jul 86

[Text] Tegucigalpa, 7 Jul (ACAN-EFE) -- Official sources reported today that except with a special Foreign Ministry permit, and under extreme vigilance, citizens of Palestine, Libya, Cuba, Nicaragua and other socialist countries will not be allowed to enter Honduras.

The Honduran Directorate for Population and Immigration Policy reported that Hondurans coming from socialist countries or countries of recognized communist affiliation will be able to enter the country "without difficulties."

However, it was made clear that those Honduran communists who have been active at one time or another in guerrilla cells, who have threatened state security, and who are on a special roster will not be allowed to enter the country, and they risk being arrested for their offenses.

It was recently announced that immigration policies had been tightened, and that citizens from any country who want to enter Honduras have to prove that they have means to live for the time they wish to stay.

This ordinance does not apply to recognized investors, or to those who can prove their intention of investing in the country, since the intention is to keep insolvent people from aggravating the already worrisome socioeconomic problems in by Hondurans.

CONTRERAS SENDS LETTER TO CONTADORA GROUP

PA060400 Tegucigalpa Domestic Service in Spanish 0210 GMT 5 Jul 86

[Letter sent by the Foreign Ministry to the Contadora Group foreign ministers, dated 21 June]

[Text] Gentlemen ministers and dear friends:

I am honored to advise you that I have received your kind letter dated 6 June 1986, in which you inform me that on that day, the foreign ministers of Colombia, Mexico, Panama, and Venezuela met in Panama City to conclude the negotiations of the Contadora Document for Peace and Cooperation in Central America, sharing your conclusions with the foreign ministers of Argentina, Brazil, Peru, and Uruguay.

On the occasion of the meeting of the Contadora and Support Groups and Central American foreign ministers held in Panama City on 6 June 1986, the Contadora Group formally presented to the Central American foreign ministers what the group feels must be the last version of the Contadora Document for Peace and Cooperation in Central America. As I announced at that solemn session, I am pleased to present to you today the Honduran Government's response, based on a calm and friendly study of the documents delivered to me, including the speech of the Panamanian foreign minister, a letter from the Contadora foreign ministers to the Central American foreign ministers, the draft of the Contadora Document, and the Panama document.

I hereby reiterate to every one of you the Honduran Government's praise for your special joint effort, marked by the loftiest political willingness and investment of human and material resources, to reach -- through political negotiations -- a legal framework to guarantee democratic peace in and among the Central American states

Despite the effort made to achieve the desired goal, I hereby tell you -- as the Honduran Foreign Ministry announced through its 13 June communique -- that the latest draft proposed by Contadora does not constitute, in the Honduran Government's opinion, a document that establishes reasonable and sufficient guarantees for Honduras' security. As for disarmament -- that is, limitation, reduction, and control of arms and forces -- the Contadora proposal defers the negotiation of limits and schedules for the reduction of arms and forces to a later date. Honduras' stance regarding this fundamental aspect of the document is that the duties related to this document must be established strictly and clearly in the text of the document.

The Contadora Group proposes later negotiations on disarmament, which means uncertain results and which would provoke the suspension of other security pledges, thus also jeopardizing the principles of reciprocity and simultaneity that have characterized the negotiations. In addition, to accept a contingent and uncertain situation regarding disarmament would amount to recognizing and sanctioning an already existing and de facto situation, namely, the military hegemony of one of the Central American states over the others.

I also want to say that the Contadora proposal does not properly reflect the view accepted by four Central American governments regarding the use of the factorization table, which is the basis for the establishment of the upper limits of military development. Quite the contrary, this proposal reflects subjective views of difficult multilateral evaluation that would render impossible an accord on the limitation, reduction, and control of armaments and forces. Furthermore, I want to point out that, in Chapter Three, a new paragraph three tries to revive matters that were dismissed in the negotiations of plenipotentiaries because those matters affected constitutional provisions in four countries.

As for military exercises, I observe an unacceptable return to the Contadora version of November 1985. Mistakenly, the proposal equates military exercises, the arms race, and military development.

As I said during our meeting in Panama, the Honduran Government marks Contadora's statement that with the last draft, the group has reached the end of its mediation efforts on the most important topics in the document, but that the group, however, would be willing to cooperate in negotiating the operational and practical aspects of the document. Similarly, I note your friendly intention that the negotiations on the operational and practical aspects of the document be completed before the instrument is signed. However, and as the ministers aptly said in their 6 June note, these matters could only be touched upon systematically to the extend that the commitments related to the basic aspects of the document are defined and accepted.

Despite this, I could not finish the message without mentioning again the Honduran Government's deep gratitude for the Contadora Group's huge and persevering efforts to achieve a lasting peace in Central America. I can attest to your exhaustive working sessions for more than 3 years, during which you demonstrated physical stamina and a conciliatory intellectual willingness worthy of the loftiest cause.

If Contadora has not been as successful as we wanted it to be, it has not been the fault of the group. History will register those efforts as one of the most beautiful examples of American solidarity. More than an abstract ideal, it is a real fact that exists and illumines our continent's future.

In the certainty that Honduras will continue to participate constructively in all that fosters peace in the area, I remain yours truly,

[Signed] Carlos Lopez Contreras, foreign minister

NICARAGUA

GOVERNMENT ISSUES WARNING TO NEWS MEDIA

PA080457 Paris AFP in Spanish 0440 GMT 8 Jul 86

[Excerpts] Managua, 7 Jul (AFP) -- The Sandinist government today warned the news media to "beware" of the politicians who use "pluralism to wage a counterrevolution" and stated that it will sanction "any" medium that "violates the state of emergency."

In statements to Radio Sandino, Captain Nelba Blandon, director of communications of the Interior Ministry, said that the opposition politicians may use the news media to criticize, "but not to destabilize," because pluralism does not mean counterrevolutionary pluralism."

The government ordered the indefinite closure of the newspaper LA PRENSA, the only opposition paper, accusing it of acting as "Reagan's agent" following the U.S. Congress' approval of $100 million for the contra groups on 25 June.

The authorities announced that, given this "open declaration of war," measures would be adopted to "counter U.S. imperialism's internal agents."

Blandon recalled that President Daniel Ortega recently said that "the state of emergency which has prevailed since 15 October 1985 will be strictly enforced" from now on.

"Any medium that violates the law or makes an attempt against public security or the defense of the country shall be sanctioned accordingly, "Blandon said, and she added: "no one can say they ignore the laws."

OPPOSITION PROTESTS NEW POLITICAL RESTRICTIONS

LA PRENSA, Priests Cited

PA050250 Panama City ACAN in Spanish 1915 GMT 4 Jul 86

[By Denis Garcia Salinas]

[Text] Managua, 4 Jul (ACAN-EFE) -- Nicaraguan Opposition legislators have harshly criticized the political measures that were taken by the Sandinist government against the press and the church in the wake of the approval of U.S. aid for the contras. However, the measures were totally supported by lefitst groups.

The Popular Social Christian Party (PPSC) and the Democratic Conservative Party (PCD), left the National Assembly yesterday without voting on or signing a document that condemns the approval of $100 million for the anti-Sandinists.

For their part, the deputies of the Independent Liberal Party (PLI) did not attend the legislative session, an action which Commander Carlos Nunez, president of the assembly, interpreted as an abstention from the vote on the condemnation promoted by the government.

The Social Christians and the Conservatives, who support the revolution but oppose the government's leadership, cricitized the Sandinists for their "incompetence" and lack of "tact" in handling the present political situation. They also demanded the reopening of the opposition paper LA PRENSA and the radio station Radio Catolica, and the return of their priest Bismarck Carballo to the country.

PPSC President Mauricio Diaz denounced the aid to the rebels, but he also attacked the Sandinists for the "virulence" with which they acted against the newspaper LA PRENSA, and for their attempts to "mislabel" the opposition as an "internal contra front."

Mauricio Diaz said that President Daniel Ortega acted in an "arrogant and improper" manner in barring those who attack the revolution from entering the country.

President Daniel Ortega said he will not permit Nicaraguan opponents who wage a campaign against the revolution and support a policy of interference to return to the country.

The PCD also reviled Ortega and Commander Bayardo Arce for statements which, in its opinion, violate "human rights" and demonstrate that "there are no rights" in the country.

The leftist opposition, represented by the Communists and the Marxists-Leninists of the Popular Action Movement, supported the indefinite suspension of LA PRENSA and the barring of Monsignor Carballo.

The two parties asked the government to "act firmly" against parties that become "agents of the Reagan administration" and that do not desire a "deepening of the revolution of the proletariat."

The parties that make up the Nicaraguan Democratic Coordinating Board have demanded that LA PRENSA and Radio Catolica be reopened and that Bismarck Carballo, who is currently in Miami, be allowed to return to the country.

These groups, which have no seats in the assembly and which did not participate in the 1984 elections, refrained from criticizing the United States for the aid to the rebels, and instead accused the Sandinists of threatening their members with "exile and even death."

Commander Carlos Nunez said that the United States, through its embassies in Managua, "will not rest in its attempts to create a counterrevolutionary political opposition" to "plot" against the revolution.

Peace Plan Proposed

PA072341 Panama City ACAN in Spanish 2054 GMT 7 Jul 86

[Text] Managua, 7 Jul (ACAN-EFE) -- Six Nicaraguan opposition parties today proposed the formation of a "pluralist and representative" national peace commission to arrange a "cease-fire" in this country.

During a news conference, the dissidents demanded that the government lift the sanctions against two priests and an opposition newspaper. They stated that this "second proposal" to the Sandinist government could "solve our country's crisis."

The Sandinist authorities decided to hastily enforce the state of emergency law that has been in effect since 1982, after the United States granted $100 million in aid to the Nicaraguan counterrevolutionaries on 26 June.

Managua's opposition newspaper LA PRENSA was closed "indefinitely" after it was accused of being the "mouthpiece of U.S. interests". More recently, two leaders of the Catholic Church were not allowed into the country because they "fostered" campaigns against the revolution, as it was officially announced.

The PCD, the PPSC, the Independent Liberal Party [PLI], the Social Democratic Party, the Nicaraguan Conservative Party, and the Constitutionalist Liberal Party support this proposal.

Social Democratic Party President Luis Rivas Leiva told newsmen that the recently drafted document had not yet been submitted to the Sandinist government.

On 30 January, those same six parties introduced a 6-point proposal demanding a "peace agreement, elections, and the repeal of the emergency law, new elections, general amnesty, and an end to the hostilities between the government forces and the unconventional forces, as a first step to bring peace to the country. [no end quotation mark as received]

The peace commission would be made up from "the country's different sectors", excluding "military sectors".

The opposition parties noted that "the government is making a mistake in hiding behind measures that further restrict the citizens' freedom, and are at odds with respect for human rights."

The document stressed that the measures which the government is implementing fan "the vicious circle of violence" which "Nicaraguans are experiencing."

Moreover, the oppositionists said that U.S. military and economic support [as received] and the government's reaction only lead to "a reinforcing of militaristic options and the increase in the arms race."

In their statement, the political groups blamed the Contadora Group for "eschewing" the need for democratization and for "the deterioration of the national and regional crisis."

PLI President Virgilio Godoy said that "Contadora has concluded its process of negotiations, and the solution has been left in the hands of Central Americans."

The Contadora Group, comprising Panama, Mexico, Colombia, and Venezuela, has been promoting since 1983 a peace document to end the Central American crisis.

Nunez Calls Meeting

PA071947 Panama City ACAN in Spanish 1928 GMT 7 Jul 86

[Excerpt] Managua, 7 Jul (ACAN-EFE) -- Nicaragua's 11 political parties were summoned to the National Assembly today by its president, Carlos Nunez Tellez, to "discuss recent developments," it was officially reported.

All of the parties in good standing, whether or not they are represented in the assembly will attend, a National Assembly spokesman said.

It was learned that Commander Joaquin Cuadra, chief of the EPS General Staff, will speak at this afternoon's meeting.

AUSTRIA OPENS DIPLOMATIC MISSION IN MANAGUA

AU021447 Vienna WIENER ZEITUNG in German 2 Jul 86 p 2

[Excerpt] Managua -- On Tuesday [1 July] the first official Austrian representation was opened in Managua. It is led by Josef Pernerstorfer, who in the past was in charge of the policy department of section seven (development aid) in the Austrian Foreign Ministry. The new mission comes under the Austrian Embassy in Mexico.

NEW ZEALAND LABOUR PARTY PRESIDENT VISITS

PA040016 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 3 Jul 86

[Text] The president of the New Zealand Labour Party, Margaret Wilson, who is visiting our country, has confirmed her party feels the ruling of the International Court of Justice at The Hague is extremely important and criticized the U.S. stand on Nicaragua.

Mrs Wilson, accompanied by (?Helen Clark), has had several meetings with Nicaraguan government officials and has visited several areas of the country. The two ladies said the following concerning the U.S. refusal to accept the ruling of the International Court of Justice at The Hague:

[Begin recording of unidentified speaker in English, followed by Spanish translation] We think it is a poor basis to proceed in, when you expect decisions which you like, and not decisions which you do not like. That is why it is very important for the international community to express its support to the International Court, and to try to persuade the United States to comply with the decision. [end recording]

They reported that in their country funds are being collected to finance social projects in Nicaragua for the benefit of women and children. When mentioning the $110 [figure as heard] million approved by the U.S. Congress for the contras, they said:

[Begin recording] [Unidentified speaker in English, followed by Spanish translation] We think it is very demoralizing to see positive projects and then a contra action which destroys it. [as heard] But it is very important not to destroy the morale behind the projects that (?are rebuilding).

[Reporter] Have you learned anything about the constitutional process in Nicaragua?

[Unidentified speaker in English, followed by Spanish translation] I think it is probably the most (?publicly debated) constitution of the world. We have been very impressed by the amount of public debate and exchange being made. We are particularly impressed by the contribution that women are making. We have found it very interesting, because (?we do not have) a written constitution. Maybe we can learn something from you. [end recording]

GRANMA VIEWS 'YANKEE CONSPIRACY' AGAINST PANAMA

PA060432 Havana International Service in Spanish 0000 GMT 6 Jul 86

[From the press review]

[Text] Under the title "Yankee Conspiracy Against Panama," the Cuban newspaper GRANMA analyzes the slander campaign unleashed by Washington to destabilize the isthmian nation and to avoid having to comply with the Torrijos-Carter Canal Treaties. Signed by Juan Marrero, the article says the outrageous and brutal charges made by the United States against General Manuel Antonio Noriega, chief of Panama's Defense Forces, are a definite part of the conspiracy.

The article says that even before assuming the presidency, Ronald Reagan had written the prologue of the book "Surrender in Panama," in which he says the United States planned and built the canal and it should not be handed over under any circumstances to the Panamanian people. The Santa Fe Document, which is the guideline of the White House's inter-American policy, is opposed to the treaties. It termed the government of Omar Torrijos as a brutally aggressive extreme left-wing dictatorship, Marrero writes. The GRANMA article on the Yankee conspiracy against Panama says Omar Torrijos died in 1981 under circumstances that still are not too clear and adds that CIA plans to physically eliminate Torrijos had been reported.

GRANMA says that during the past 6 years, insults and attacks against Panama have been constant and have increased by the same pace as the Panamanian Government's and Defense Forces' reiterations that they will ensure the Torrijos-Carter Treaties are compiled with. Juan Marrero says neither Reagan, the Pentagon, nor any U.S. warmonger were the least bit pleased that Gen Noriega decided that in accordance with the treaties the School of the Americas should leave the Canal Zone. Nor did the Yankee administration like the upright position taken by Torrijos when Washington tried to give him orders as to his relations with Cuba and he replied that such orders could be given to Puerto Rico but not to an independent state like Panama.

In his article "Yankee Conspiracy Against Panama," Marrero explains that Panama's participation in the Contadora Group -- which is trying through negotiations to end the Central Amrerican crisis and prevent the generalization of the conflict -- is also bothersome for Washington.

In view of all this, GRANMA says, the U.S. Government has tried to destabilize Panama through plans by the CIA, using as instruments people like extreme right-wing Senator Jesse Helms. GRANMA says much infamy and lying prevails in this campaign, whose instigators have no morals or honesty. Besides, the insults and alleged charges lack any foundation or proof.

The United States is no doubt doing all it can to subdue the Panamanian Defense Forces. It therefore reduced aid to the Defense Forces from $30 million in 1984 to $6 million this year. With the aid reduction and the constant slander campaign, Marrero says in his article, the Yankees are confident that the U.S. military bases in the Canal Zone will not be dismantled and that the canal will not be run by Panamanians in the year 2000.

These are the true intentions of imperialism in Panama. The intentions of the Panamanian people are absolutely different, and no one can have any doubts about the Panamanian people's anti-imperialist and anticolonialist struggles.

JUDICIAL ASSISTANCE PROTOCOL SIGNED WITH USSR

FL080126 Havana Television Service in Spanish 0000 GMT 8 Jul 86

[Text] A protocol was signed in Moscow today on the exchange of ratification instruments of the Cuban-USSR agreement on judicial assistance in civil, family, and penal matters. The protocol, which consists of 76 articles, provides the citizens of the two countries with the right to freely address the courts and judicial institutions regarding civil, family, and penal matters, and to participate in them by presenting complaints and requests.

The document was signed by Luis Felipe Vazquez, Cuban charge d'affaires, and by Leonid Ilichev, USSR deputy foreign minister, who stressed that the document complements bilateral relations and strengthens the legal base of cooperation between the two socialist countries.

MALMIERCA CALLS FOR SANCTIONS ON SOUTH AFRICA

FL072154 Havana Radio Reloj Network in Spanish 1802 GMT 7 Jul 86

[Text] Cuban Minister of Foreign Relations Isidoro Malmierca and the president of the Southwest African People's Organization [SWAPO], Sam Nujoma, have called for the application of total compulsory sanctions against South Africa.

Malmierca and Nujoma, who are in Vienna attending the international conference for the immediate independence of Namibia, exchanged views on relations between Cuba and SWAPO and on the present situation in southern Africa.

Nujoma expressed his confidence that the conference will encourage international action in favor of Namibian independence. The Cuban foreign minister expressed our country's support for the Namibian people's struggle for full independence, and accused South Africa of being the main obstacle to peace in southern Africa.

RISQUET RECEIVES ZIMBABWEAN EDUCATION MINISTER

FL080120 Havana Television Service in Spanish 0000 GMT 8 Jul 86

[Text] Central Committee Politburo member Comrade Jorge Risquet Valdes this afternoon received Zimbabwean Minister of Education Dzingai Matumbuka. The African minister, member of the Zimbabwe African National Union-Patriotic Front Politburo, heads the Zimbabwean delegation attending the first session of the joint intergovernmental Cuban-Zimbabwean Commission for Economic, Scientific, and Technical Cooperation, which began today in Havana.

Risquet, who heads the Cuban delegation, told the visitors that the idea of developing this cooperation originated in the October 1985 summit meeting between Zimbabwean Prime Minister Robert Mugabe and commander in chief Fidel Castro.

CARICOM CONFERENCE ENDS; COMMUNIQUE ISSUED

FL050100 Bridgetown CANA in English 0300 GMT 5 July 86

["Text" of communique issued by Caribbean Community members in Georgetown, Guyana on 4 July]

[Text] Georgetown, Guyana, July 4, CANA -- The conference of heads of government of the Caribbean Community held its seventh meeting in Georgetown, Guyana from July 1-4, 1986. All 13 member states of the community were represented as follows -- the Hon Lester Bird, deputy prime minister, Antigua and Barbuda; the Rt Hon Sir Lynden Pindling, prime minister, the Bahamas; the Rt Hon Errol W Barrow, prime minister, Barbados; the Rt Hon Manuel Esquivel, prime minister, Belize; the Hon Mary Eugenia Charles, prime minister, Dominica; the Hon Ben Jones, minister of external affairs, Grenada; his excellency Hugh Desmond Hoyte, SC president, Guyana; the Rt Hon Edward Seaga, prime minister, Jamaica; the Hon John Osborne, chief minister, Montserrat; Dr the Rt Hon Kennedy Simmonds, prime minister, Saint Christopher and Nevis; the Rt Hon John Compton, prime minister, Saint Lucia; the Rt Hon James Mitchell, prime minister, St Vincent and the Grenadines and the Hon George Chambers, prime minister Trinidad and Tobago.

Roderick Rainford, secretary general of the Caribbean Community served as chairman during the inaugural esssion.

Heads of government observed one minute silence as a mark of respect to the late president of the Cooperative Republic of Guyana, his excellency LFS Burnham. Heads expressed their sorrow at the death of the late vice chancellor of the University of the West Indies, Dr A Z Preston.

The opening address at the inaugural ceremony was given by his excellency Hugh Desmond Hoyte, S C president of Guyana. In his address, the president stated that, to his mind, the community had arrived at a stage where a prime requirement for its further advance was the establishment of effective and diversified linkages among the economies of member states. He therefore called upon member governments to move rapidly and resolutely towards the concept of an integrated regional economy.

President Hoyte continued: As hosts, we in Guyana entertain the hope that the conference will be a landmark in the process of the community. We look forward to the conference adopting clear and implementable decisions that involve the identification of practical projects and programmes, within a well-defined framework of time and policy decisions that will quicken the pace of regional integration and bring about substantial advances towards the goal of satisfying the needs of our people and securing for them ample opportunity for development of their personalities in all their wonderful and manifold aspects.

Speeches were also delivered at the opening ceremony by the Rt Hon Errol W Barrow, the Rt Hon Manuel Esquivel, the Hon John Osborne and Dr the Hon Kennedy Simmonds.

The president of Guyana was elected by acclamation to the chair of the meeting.

The conference conducted its business through a plenary, a caucus of heads of government and an economic and general committee.

Heads of government received and considered recommendations from the 28th meeting of the Common Market council, the 10th meeting of the standing committee of ministers responsible for finance, the 12th meeting of the standing committee of ministers responsible for foreign affairs, the 10th meeting of the conference of ministers responsible for health and the meeting of attorneys general and ministers responsible for legal affairs on drug abuse and illicit trafficking.

International economic issues:

Heads of government examined the impact of recent international developments on the economies of the region. They observed the constant, if modest, signs of economic recovery in most OECD countries and in, in the case of the United States, the more significant but more volatile movement of the economic indicators.

They noted with concern that these signs of recovery in the developed western economies were not accompanied, as had been the case in the past, by an improvement in the prices for primary commodities in which Caricom member states had a traditional interest.

They recognised that this lack of relationship between improved economic performance in the developed countries and resultant economic benefits to commodity-exporting countries was partly a consequence of structural and technological changes in the economies of the former.

They also noted that the recovery had produced opportunities for exports of non-traditional products, but expressed concern that these could be thwarted by a growing trend of protectionism in a number of developed countries.

In this connection, heads of government welcomed the opportunities which the new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT) could provide for the reduction of trade barriers.

They noted however the initiatives taken by some countries to introduce new areas for consideration in the negotiations. In the light of these new trends, heads of government resolved to take steps to secure the interest of Caricom countries.

Heads of government welcomed the conclusions of the UN special session on the African economic crisis and were particularly gratified that the United Nations programme of action for African economic recovery 1986-1990 approved by the special session embodied both the resolve of the African continent and the solidarity of the world community. They heralded this as a sensitive development in multilateral cooperation and expressed the profound hope that this approach by the international community to the solution of the problems prevailing in the developing world would become a norm in international economic cooperation.

Structural adjustment and external financing for development and reconstruction:

In the light of the understanding reached in Nassau in 1984, heads of government commended those member states which had since introduced rigorous structural adjustment programmes designed to strengthen the competitiveness of their economies and to deal with a seriously adverse balance-of-payments and fiscal situation.

The heads felt that the countries of the region had adequately satisfied the conditions for an immediate and substantially enlarge inflow of external financing from both official and private sources at levels and on terms appropriate to their unique circumstances and very urgent development and reconstruction needs.

In that context heads of government expressed concern over the continuing heavy debt servicing burden being experienced by several of their countries. They strongly endorsed the call being made by a very substantial number of developing countries, and in many fora, for immediate action by creditor governments and institutions to achieve a meeting of minds with indebted countries on debt relief and other related measures which will open the way for an early reactivation of their development.

The Georgetown declaration on the deepening and widening of Caricom:

Heads of government adopted a declaration on the deepening and widening of Caricom, which embodies a number of decisions with respect to encouraging the development of regional production and the negotiation of trade arrangements with neighbouring countries in the Caribbean and Latin America.

In relation to the development of regional production, heads of government felt that the stage had now been reached for making more concrete efforts to stimulate regional investment, particularly through the development of joint ventures. In that context they decided to adopt and introduce a Caricom enterprise regime and a protocol on regional industrial programmes, before their next meeting.

They also recognised that efforts must continue to formulate a truly common external tariff and common protective policy against third countries and a revised regime for the harmonisation of fiscal incentives to industry, taking into account in both exercises the need to produce at competitive prices for both regional and extraregional markets. Heads of government agreed that work should be speeded up on the negotiation of trade and economic cooperation agreements between Caricom and the Dominican Republic, Haiti and Suriname.

They also gave a similar directive with regards to the negotiation of arrangements with countries of the Andean Pact, Brazil and Mexico. The heads of government further stressed the importance of taking initiatives for closer trade relations with the French Netherlands Antilles.

Intra-regional trade:

Heads of government noted the trends in intra-regional trade and the status of the implementation of the package of measures agreed to in Nassau, the Bahamas for the resuscitation of such trade. They agreed to take all necessary steps to complete the implementation of these measures and within the limits of their foreign exchange management policies and the provisions of the treaty to identify and remove all non-tariff restrictions on intra-regional trade.

They further agreed that member states which imposed stamp duties on imports would review such measures with a view to their discontinuance in respect of Caricom trade. Opportunity was taken at the conference to advance a number of trading matters in bilateral discussions. Conference took note of the understanding reached on those issues.

Agricultural matters:

Heads of government noted the status of the implementation of the new marketing arrangements for primary agricultural products and livestock.

They agreed that member states which had not yet completed implementation of these arrangements be granted up to September 30, 1986 to complete the outstanding arrangements.

In reviewing regional trade in agricultural commodities, heads of government took note of a number of specific problems with respect to trade in beef, sugar, arrowroot and oils and fats. Heads of government decided on steps to be taken in dealing with the problems raised.

Financial Cooperation

Heads of government agreed to establish a Caricom export credit facility, in recognition of the importance of payment and credit arrangements in support of extraregional and intraregional trade flows. The facility will provide pre-shipment and post-shipment credit to regional exporters particularly for products marketed extraregionally.

Heads of government requested the president of the Caribbean Development Bank and the secretary-general of Caricom to approach the donor community with a view towards mobilising the external resources required for the facility. They called upon the international community, particularly financing agencies, to remember all possible support to enable them to launch the facility by 1 July 1987. The heads also noted the efforts being made to find a workable solution to the difficulties which currently inhibit the resuscitation of the Caricom Multinational Clearing Facility. (CMCF)

Programming of resources for regional projects under Lome III

Heads of government noted with satisfaction the entry into force of the Lome III Convention on 1 May 1986. They identified agriculture, tourism, transport and communication, human resource development and trade promotion as the priority sectors for the allocation of resources under the regional indicative programme.

Such indicative allocations were agreed on the basis of special consideration for the LDCs [lesser developed countries] in the programming process. Conference directed that the programme should be submitted to the European Economic Community (EEC) by the end of July 1986.

Caribbean Basin Initiative

Heads of government discussed the review of the Caribbean Basin Initiative undertaken at its request by a technical group. It noted the recommendations which had been submitted by the council and requested the council to keep these under review. They agreed to coordinate their efforts in Washington with a view to making optimal use of the benefits available under the CBI.

Caribcan

Heads of government reviewed the proposal by the government of Canada for a scheme for trade and economic cooperation for the Commonwealth Caribbean. While acknowledging the potential benefits and value of the programme, they resolved to pursue further discussions with the Government of Canada on certain proposals made by Caricom countries and not taken into account in the Caribcan provisions.

Protection of the region against the results of accidents in nuclear plants:

Heads of government expressed concern at the several recent nuclear accidents and the potential danger posed to the security, health and economic well-being of Caribbean states by nuclear plants in the hemisphere and the possible utilisation of the region for the purpose of dumping toxic and nuclear wastes.

They instructed the secretariat to develop, in consultation with regional and other authorities, a regional strategy of nuclear disaster preparedness and prevention project (PCDPP) the task of developing a component to deal with emergencies in the event of nuclear accidents.

They requested Caricom member states of the International Atomic Energy Agency to represent the region's interests in forthcoming IAEA-sponsored negotiations on nuclear safety, special attention being paid to safeguards, monitoring and standards.

Heads of government noted that the IAEA was developing international standards for nuclear power plants which included such considerations as siting, design and quality assurance.

They agreed that Caricom would mount an initiative in all appropriate international fora to bring their concerns to the attention of the wider international community.

The problems of small states:

Heads of government welcomed the profound and wide-ranging examination into the vulnerability of small states undertaken by a Commonwealth study group.

The group had examined the negative effort on the security, sovereignty, and development of small states resulting from the military, economic, administrative and other weaknesses inherent in their smallness.

In the case of the Caribbean, heads of government were convinced that regional cooperation, optimal mobilisation of the region's human and natural resources, and the full utilisation of its geographical and other advantages could help to secure for the people of the region the continued strengthening of their independence, sovereignty and integrity. Heads of government committed themselves once again to this end and decided to continue their examination of the measures proposed in the report with a view to implementing those appropriate to the region.

Drug trafficking

Heads of government expressed their growing concern at the increase in illicit use of drugs and increased drug trafficking, including the trans-shipment of drugs through member states.

They noted the harmful effects of these illegal activities on the health, security, morality, and general well-being of the Caribbean peoples.

Heads of governments pledged to intensify their individual and collective efforts in the elaboration and implementation of programmes of prevention, detection, eradication, prosecution, treatment, and rehabilitation.

They noted that the success of such programmes required the highest possible level of public awareness and of collaboration among agencies at the national and regional levels.

They called on the Caricom secretariat to work closely with the OECS secretariat and other regional agencies in the continued development and implementation of a regional approach.

They agreed to a request from the government of Suriname for a close relationship between Suriname and the Caribbean Community on this matter.

Heads of government also noted a number of initiatives aimed at galvanising the efforts of the international community to remove the scourge of illicit drugs from contemporary life.

In particular, they pledged the full and coordinated participation of the Caribbean Community in the work, including the preparatory work, of the United Nations international Conference on Drug Abuse and Illicit Trafficking in Vienna in June 1987, the interregional meeting of heads of national drug law enforcement agencies in Vienna in July/August 1986, and the Commonwealth law minister meeting in July 1986.

Heads of government were conscious that governments alone could not successfully tackle the problem. They therefore called for the widest possible participation of community leaders and groups in the fight to save present and future generations of Caribbean peoples from the hazard of illicit drugs.

International peace and security:

General review

Heads of government reviewed developments in the international political environment since their last meeting and expressed concern that many of these developments signified an escalation of international tension and a deterioration in the state of global security.

They were concerned at the persistence of many longstanding conflicts in various regions of the world and at new examples of the resort to the threat and use of force in the conduct of inter-state relations.

Heads of government also expressed their deep concern at the growing use of international terrorism as a political tactic.

They appealed to the international community to undertake corrective action in dealing with the problem of international terrorism and to seek more positive and peaceful solutions to all international problems.

Heads of government were encouraged by the meeting in Geneva in November 1985 of the President of the United States and the general secretary of the Communist Party of the Soviet Union and by the subsequent exchange of proposals for the reductions in the arsenals of the nuclear powers.

They stressed that the pursuit of detente and disarmament was not just a convenient diplomatic option but an imperative for the well-being of the international community and indeed for the very survival of the planet.

Heads of government received a report from the prime minister of Belize on the latest situation relating to the claim by Guatemala to Belizean territory.

They reiterated the unwavering support of the Caribbean Community for the government and people of Belize in their continuing efforts to preserve the sovereignty and territorial integrity of their country.

Guyana/Venezuela:

Heads of government adhered to their previously stated position on the controversy which had arisen as a result of the territorial claim advanced by Venezuela against Guyana.

They noted the attempts being made by the two countries to resolve the issues and encouraged their continuing search for a peaceful solution.

They commended the parties for cooperating fully with the secretary general of the United Nations in the discharge of the mandate, given under the terms of the Geneva Agreement of 1966, to choose a means of settlement.

Heads of government welcomed improvement in Guyana/Venezuela relations and expressed the hope that this would lead to increased friendship and cooperation between them.

Caricom/Latin American relations:

Heads of government welcomed the decision by the Organisation of American States (OAS) to amend its constitution to assure the right of Belize and Guyana to membership in that organization by 1990.

In reaffirming the need for full adherence to the principle of universality of membership, heads of government called for the elimination of exclusionary provisions in other regional treaties and arrangements.

Central America:

Heads of government were concerned that a definite settlement of the conflict in Central America had not yet been reached.

Persuaded, however, that a peaceful solution could only be achieved through a process of dialogue and negotiation, they reaffirmed their support for the Contadora Group and encouraged it to persist in its efforts, in collaboration with the Lima Support Group, to obtain an agreement aimed at securing peace, stability, and development for the countries of Central America. They called on all states to give full support to this diplomatic pursuit.

Heads of government restated their abhorrence of the apartheid system. They condemned the contemptuous defiance of international public opinion shown by the racist regime in Pretoria and have issued a declaration on South Africa, which is attached. [as received]

In noting the heightened efforts of the people of South Africa to liberate themselves from the evils of apartheid, they have reaffirmed the solidarity of their peoples with the just struggle of all peoples and countries in the southern Africa region.

Heads of government have agreed that should the Commonwealth review committee meeting be held in August fail to reach unanimity on the further sanctions envisaged in the Nassau record, the prime minister of the Bahamas, as chairman of the last Commonwealth heads of government meeting, should call for an emergency meeting of all Commonwealth heads of government.

Caricom heads of government mandated the chairman of the conference to transmit copies of their declaration to all Commonwealth heads of government attending the review meeting.

Heads of government also reiterated their condemnation of the continued illegal occupation of Namibia and the wanton exploitation of its resources by the racist regime in South Africa. They once again called for the speedy implementation of UN Security Council Resolution 435 (1978) to bring Namibia to early independence.

The heads of government reiterated the need for an intensification of efforts to achieve a just and lasting settlement on the basis of the relevant United Nations resolution.

They reaffirmed their conviction that such a settlement could best be attained within a framework which included respect for the rights of the Palestinian people, in particular their right to a homeland of their own. Israel's withdrawal from occupied Arab territories, and the acceptance of the right of all states in the region to a peaceful existence with safe, secure, and recognized borders.

They also reiterated their concern over the continuing conflict between Iran and Iraq and expressed the hope that the parties would heed the call of the international community to desist from further hostilities and to seek a negotiated settlement.

Post of secretary general:

Mr Roderick Rainford agreed to the proposal of the heads of government that he continue to serve as secretary general for a further two years, to complete a full five-year term.

Date and venue of next meeting:

Conference accepted the offer of the Government of Saint Lucia to host the eighth regular meeting during the week ending July 4, 1987.

Conference also accepted the offer of the government of Antigua and Barbuda to host its ninth regular meeting during the week commencing July 4, 1988.

Closure:

The heads of government expressed their satisfaction over the atmosphere of cooperation which characterised the deliberations and led to successful conclusions for the strengthening of the community and Common Market. The heads paid tribute to his excellency Desmond Hoyte for his skillful chairmanship of the conference and expressed their deep appreciation to the government and people of Guyana for their warm and generous hospitality.

Georgetown, Guyana

4 July 1986

Appendix:

The Georgetown Declaration on the Deepening and Widening of Caricom

We have decided that the stage has now been reached where specific initiatives must be taken to implement Articles 34, 46, and 47 of the Common Market annex to the Treaty Chaguaramas (dealing with external trade policy, Common Market industrial programming, and joint development of national resources).

These specific initiatives must accompany efforts to formulate a truly common external tariff (CET) and common protective policy against third countries and a revised regime for the harmonisation of fiscal incentives to industry -- taking into account, in both exercises, the need to produce at competitive prices for both the regional and extra-regional markets.

A major effort must now be made to promote and establish mechanisms and arrangements that will result in greater complementarity in the structures of production of our respective countries.

Such an effort should be geared, wherever feasible, towards the utilisation of both intraregional and extraregional market opportunities. The mechanisms and arrangements themselves must be flexible enough to be tailored to the concrete opportunities that arise.

We are convinced that, in the present situation, the closest possible cooperation should be pursued between governments and the private sectors so that national capacities could be fully mobilised in developing regional production.

In order to promote greater regional investment initiatives, particularly in the development of joint ventures, all of our member states have now indicated their readiness to adopt and introduce a Caricom enterprise regime by 31 December 1986. We have instructed the secretary general of Caricom to convene an early meeting of regional officials for a final review of the draft text of the regime to see whether any of its provisions require updating in the light of recent developments and to report promptly to member states on the matter.

We recall earlier decisions by our conference and the standing committee of ministers responsible for industry (SCMI) on an operational regime for Caricom industrial programming. We now mandate the secretary general of Caricom to embody these decisions in a protocol for signature by member states before the end of this year.

We now emphasise the need for the standing committee of ministers responsible for industry, national ministries of industry, and agencies responsible for investment promotion and the private sector to direct their efforts to begin implementing the projects which have been identified. Conference looks forward to being advised within the next two years that several such projects are in production.

In relation to external trade policy, we agree upon the need to focus more sharply on specific markets in a phased approach towards the widening of our trade and economic relations with the rest of the Caribbean and the mainland countries of Latin America, as well as with non-traditional markets with the rest of the world.

We recognised in the Nassau Understanding, adopted at our fifth conference, that as a first step, Caricom should develop trade and economic cooperation agreements with the Dominican Republic and Suriname. Increased attention should also be given to expanding trade with the French and Netherland Antilles. In this regard, we call for a speeding-up of the work of the joint technical groups between Caricom and the Dominican Republic, Haiti, and Suriname.

We also mandate the secretary general of Caricom to speed up the work of the negotiation of broadly-based trade and economic cooperation agreements with member countries of the Andean Pact and with Brazil and Mexico.

We are aware of the importance and urgency of improving and developing transportation and marketing infrastructure within Caricom as well as between Caricom and the wider Caribbean-Latin America area.

We are acutely conscious of the importance to our trade and economic development of the forthcoming new round of multilateral trade negotiations with the GATT and of the work that will shortly begin under the auspices of UNCTAD on the negotiation of a Global System of Trade Preferences (GSTP) among developing countries. We have agreed that the Caricom countries should actively participate in both of these negotiations and as the Caricom Common Market council to take appropriate steps to advance regional preparations for them.

We present the rationale [words indistinct] production of our economies, especially the production of manufactured goods, is very similar and largely competitive. There is little complementarity. This derives essentially from two factors. Firstly, while some progress has been made in deepening our production processes, our manufacturing is still largely of a finishing character, based on raw materials, intermediate goods, and components imported from third countries.

Secondly, production is for the most part for our national market or for the market of some particular member of the community. There is little specialization at either the national or regional level, based on raw materials in the national economies, and there is no interlocking of enterprises based on the marriage of raw materials from different national economies.

The result is that neither economies of large-scale production nor inter-country linkages in production are achieved. Yet the importance of the greater use of inter-country production linkages and of specialisation leading to larger scale and more diversified production and exports was recognised and provided for in the Treaty of Chaguaramas. [word indistinct] countries all point to the lack of inter-connectedness either at the level of the national economy or the enterprise.

One of the major constraints to the development of a firmly based manufacturing sector producing for both regional and extra-regional markets is the perceived lack of regional raw materials and other inputs.

Scope for Production Integration

A careful analysis of the raw materials has across our Common Market reduced significant deposits of petroleum and natural gas, ceramic and bauxite clays, limestone, and high-grade silica sands.

We now produce steel and have significant foundry capacity. We have large forests, with a variety of hard and soft woods. We produce or used to produce large quantities of cotton. The fisheries resources are especially rich in certain parts of our seas and, with the international acceptance of the 200-mile exclusive economic zone, our fisheries resources might even be considered effective.

The land resources to produce large quantities of livestock, grain, and fruits and vegetables for processing exist. We produce large quantities of sugar cane and are capable of producing significant quantities of agricultural materials such as cassava.

There is thus scope for a range of wood-based industries (plywood and veneer, prefabricated houses, wooden furniture, sashes and doors, wooden boats, pulp and paper); of clay-based industries (ceramic ware-tiles, sanitary ware, table ware, craft ware-fibre optics); for limestone and sand-based products (glass aggregates, silica, bricks, foundry moulds); for petroleum-based products (hydrocarbon-based plastics, detergents and fertilisers); for sugar-based products (ethanol, animal feed, alcohol, pharmaceuticals, vinegar, yeast, building materials); for cotton and leather-based products; for processed foods and animal feedstuffs; for chemical lime and chemical pulp; and for steel-based products.

Technical, managerial and to some extent entrepreneurial expertise exists in the region to develop or undertake production based on all the resources identified, furthermore, there is a reservoir of West-Indian expertise and entrepreneurs abroad. The West Indian expertise at home and abroad can be combined and complemented by foreign enterprises and enterprises willing to do business in the region.

Limitations to Development of Integrated Industries

A major limitation to the development of integrated industries in the Common Market to date has been our perception, stated or unstated, that resources in one member state are to be developed by that member state either to provide inputs locally or exported outside the Common Market.

We have created only limited opportunities and mechanisms for the secure movement of capital and entrepreneurial and management skills to develop production based on our resources. The framers of the treaty did not venture far in this area and we have made little progress since. While we have established some joint ventures among ourselves -- the Caribbean Food Corporation, the Barbados-Trinidad and Tobago (Arawak) cement plant, the Caribbean Agricultural Trading Corporation, for example -- these have been based either on special arrangements or on the legislation of the particular host country.

Our national legislation pertaining to issues such as alien handholding gives no specific consideration to investors from other parts of the Common Market. Furthermore, our products, even of joint venture operations, have no real assurance of entry into our various markets.

The Way Forward

Member states of the Common Market should declare that nationals of other member states are welcome to participate in the development of their natural resources. They agree to encourage the integrated development of the resources of the various member states. In this regard they [words indistinct] in order to stimulate and facilitate such activities, heads of government should agree to implement, before their next regular meeting, legislative arrangements on the Caricom enterprise regime to encourage the flow of resources among the states for investments, to develop or facilitate the development of the natural resources of the region, and to make more optimal use of the entrepreneurial, managerial, technical, and other skills of the people of the region.

These arrangements will also encourage the flow of resources to undertake production for extraregional markets and to develop the foreign exchange-earning services sector of the economies. In this connection, it should be recalled that sub-paragraph (e) of Article 46 of the Common Market annex to the Treaty of Chaguramas provides for joint actions to promote exports to countries both inside and outside the Common Market.

While these arrangements are being put in place, heads of government shall request their central banks to facilitate, within their foreign exchange regulations and practices, capital account transactions designed to promote the objectives outlined above.

Heads of government should also mandate the Caribbean Development Bank and the Caricom and OECS secretariats to make available to interested investory, feasibility and pre-feasibility studies undertaken by them. (This would of course not include studies undertaken by specific clients).

Heads of government should recall earlier decisions by conference and the standing committee of ministers responsible on an operational regime for Caricom industrial programming.

They shall now mandate the Caricom secretariat to embody these decisions in a protocol for signature by member states, before the end of this year.

So much for the deepening of the regional economic integration movement. In addition, heads of government should also take action in a phased and targeted manner to widen Caricom to include other Caribbean countries and to develop closer trade and economic relations with the mainland countries of Latin-America.

Member states also need to strengthen their joint capacity for effectively monitoring and negotiating the entire range of international trade issues in their various geographical dimensions.

Anti-RSA Statement Issued

FL040037 Bridgetown CANA in English 2341 GMT 4 Jul 86

[Excerpts] Georgetown, Guyana, July 3, CANA -- English-speaking Caribbean leaders, meeting in Guyana, today issued a strongly worded statement demanding international economic sanctions to deal with the apartheid problem in South America.

In a declaration on the racially-divided country, the leaders said that to defer sanctions was to further sustain apartheid. They found this wholly repugnant and unacceptable.

The heads of government are simultaneously taking appropriate steps to communicate their views to the leaders of the European Economic Community countries and the United States, urging them to share their concerns and to respond effectively to the imperatives of change in South Africa. The people of the Caribbean Community are bound in unbreakable solidarity with all who struggle against apartheid.

Finally, if despite all efforts the Commonwealth review meeting in August fails to reach unanimity on advancing agreed Commonwealth goals on South Africa, the prime minister of the Bahamas will in the name of the heads of government call for an emergency meeting of all Commonwealth heads of government to be convened as a matter of utmost urgency.

Dominica's Charles on Conference

FL040049 Bridgetown CANA in English 2343 GMT 4 Jul 86

[Text] Georgetown, Guyana, July 3, CANA -- Dominica's Prime Minister Eugenia Charles today stressed the need for regional training of security forces and defended involvement in the U.S.-led invasion of Grenada three years ago.

Shortly before leaving Guyana at the end of the Caribbean Community (Caricom) heads of government summit, Ms Charles said that in the context of the Caribbean training of security forces together was very important.

She told a news conference Caribbean countries could work together to solve common problems such as smuggling, disasters and on anti-smuggling campaigns.

Charles said Barbados Prime Minister Errol Barrow was not in the frontline during the Grenada development, when U.S. soldiers toppled a left-wing military junta.

She added that Barrow, who had earlier said Barbados would not be used to launch attacks against any country, could not understand that the people of Grenada wanted to be rescued.

The Dominica leader said trade and the situation in South Africa were dominant topics at today's meeting of the regional heads. She added: I think mandatory sanctions should be imposed against South Africa. There is no question about that.

On trade, Ms Charles said: We agreed there was a lot of movement between countries in improving trade relations. We also have been discussing the problems we have with the European Commission and its effects on the countries involved.

Disbursement of funds under the Lome agreement was a matter of special concern to Dominica.

Seaga Rejects Political Integration

FL041530 Bridgetown CANA in English 1358 GMT 4 Jul 86

[Text] Georgetown, Guyana, July 4, CANA -- Jamaica today held out hope for improved trading relations among Caribbean Common Market states, but gave a clear thumbs down to the recently-revived concept of a political federation of the countries in the area.

Speaking at a press conference on the final day of the 1986 Caribbean Community (Caricom) heads of government conference here, Jamaica Prime Minister Edward Seaga said his optimism was based on the summit's agreement on import licensing and the release of foreign exchange for Caricom goods.

The conference has agreed that there should be no licensing and there should be no (foreign exchange) restrictions by central banks and if any country desired to enter into that sort of an arrangement because of economic difficulty, it should seek clearance from the (Caricom) council first.

That is one of the advances that has taken place here which, if adhered to, could be very useful.

Trinidad and Tobago, traditionally the most lucrative Caricom market, has maintained an import licensing and foreign exchange rationing regime, which has been partially blamed for a 26 percent decline in intraregional trade over the last three years.

Seaga expressed disappointment with the Jamaica performance on the Trinidad and Tobago market, despite new bilateral arrangements between the two states.

Insofar as the increase in Jamaica-Trinidad trade is concerned, that has not happened to the extent that we expected as a result of the visit of (Trinidad) Prime Minister (George) Chambers to Jamaica and my visit to Trinidad. There has been some improvement but it is not sufficient. There are still licensing problems and of course the (Trinidad) Central Bank still continues to play the crucial role.

Seaga said Jamaica had called for a removal of stamp duties imposed by other countries on Caricom imports. Failing that, he said, we may have to consider imposing a stamp duty ourselves... so as to have a uniform system throughout the region.

The Jamaica leader repeated his opposition to fresh attempts at political integration of the English-speaking Caribbean. For one thing, he said, the region as a single unit would lose some impact in international fora.

It is a fallacy to believe that the Caribbean would speak with the same voice, the same intensity, and gain the same respect if it was speaking as a single voice, Seaga told newsmen.

In the OAS, he said, the Caribbean, as a number of independent countries, had gained a lot of respect and had its strength in numbers.

Seaga described political integration of the region as an echo of the past adding: I do not think that you will live to see it.

The withdrawal of Jamaica and then Trinidad and Tobago in 1961 from the first West Indies political federation triggered its collapse the following year.

Seaga again supported the inclusion of non-English-speaking countries in the 13-nation Caribbean Community, particularly Haiti and the Dominican Republic.

COMMONWEALTH TO APPOINT TRADE ADVISER TO CARIBBEAN

FL032141 Bridgetown CANA in English 1520 GMT 3 Jul 86

[By Sandra Baptiste]

[Text] Georgetown, Guyana, July 3, CANA -- Commonwealth Secretary General Shridath Ramphal says a trade adviser will be appointed to assist Caribbean and other small Commonwealth member states to deal with the problems of low prices of exports of primary commodities and international protectionism.

Ramphal, here for the Caribbean Community (Caricom) summit, said his talks with regional leaders have touched on the inability of small states to lobby adequately for better access to markets and improved prices in a bid to improve their economies.

The Commonwealth is therefore putting in a special trade adviser who will act if you like as the eyes and ears of the smaller countries and who would help them in mobilising representation to ensure that their interests are adequately taken care of, Ramphal said in an interview with CANA.

He said developing countries saw the new round of trade talks, scheduled for later this year, not as a means of fighting protectionism but of enlarging their own trade possibilities.

They would like the GATT talks to go beyond trade in products and include trade in services. In other words a whole new industry of consultancies, of service industries covered by the GATT (General Agreement on Trariffs and Trade).

There is something of a contradiction. On the one hand the developing countries are saying the trade in products which now come under GATT is reeling under protectionism. You are closing your doors to our products which are now more than competitive with yours. Rather than do anything about that, you are really saying open our doors to your new service industries.

Developing countries certainly have to go on insisting that the priority in the negotiations must first be given to rectifying and returning to a situation of liberal trade in commodities and unless that happens and countries like the Caribbean are vigilant to ensure that it happens, the result of the new trade round could be a further opening up of the market to the new service industries of the rich countries, Ramphal said.

The former Guyanese foreign minister said the international economic environment had not improved since the last Caricom summit in Barbados and it will be even more difficult for member states of the regional grouping to get external financing to revamp their economies.

Ramphal, who is current chairman of the United Nations Committee for Development Planning, said the group had recommended a doubling of financial flows.

ARUBA

ECONOMIC AFFAIRS MINISTER BERLINSKY RESIGNS

FL071410 Bonaire Trans World Radio in English 1130 GMT 7 Jul 86

[Text] Aruban Economic Affairs Minister Leonard Berlinsky has offered his resignation after the government lost a motion of no confidence. Some weeks ago, Mr Berlinsky withdrew a previous offer to resign after the government's AVP [Aruban People's Party] survived an earlier no confidence motion. The opposition's motions are connected with allegations that Mr Berlinsky has been involved in corruption which he has consistently denied a judicial investigation into charges that he took bribes is now underway.

JAMAICA

CLASH BETWEEN RIVAL POLITICAL PARTIES REPORTED

FL081253 Bonaire Trans World Radio in English 1130 GMT 8 Jul 86

[Text] Members of rival political parties in Jamaica clashed yesterday in incidents in Kingston and Montego Bay. An unknown number of people were injured. In West Kingston, about 40 members of the tiny Workers Communist Party and a group of supporters of the People's National Party [PNP] exchanged shouts and threw rocks. In the other incidents, in Falmouth, about 20 miles east of Montego Bay, members of the ruling Jamaica Labor Party threw rocks at a PNP office.

The violence took place on the last day candidates had to register for provincial elections, which are scheduled now for July 19th.

SEAGA DESIGNATES CDU EXECUTIVE SECRETARY

FL061431 Bridgetown CANA in English 1758 GMT 5 Jul 86

[Text] Kingston, Jamaica, July 5, CANA -- Ruling Jamaica Labour Party (JLP) parliamentarian Clifton Stone has been appointed executive secretary of the Caribbean Democrat Union (CDU) -- the regional grouping of the rightwing political parties formed earlier this year.

According to the JLP, the Jamaica Prime Minister and CDU Chairman Edward Seaga made the announcement of Stone's appointment when leaders of CDU parties met in Guyana this week during the summit of Caribbean Community leaders.

Seaga reported that since its establishment a CDU office had been set up here and staff appointed.

Plans for the programme of work for the CDU over the next year were discussed at the Guyana meeting, but details were not disclosed.

Apart from Seaga, others at the meeting were Dominica's Eugenia Charles, St Vincent's James Mitchell, Kennedy Simmonds of St Kitts and Nevis, Montserrat's Chief Minister John Osborne as well as senior ministers of both Grenada and St Lucia.

ST LUCIA

POPE JOHN PAUL II LEAVES CASTRIES FOR ROME

PA080422 Paris AFP in Spanish 0350 GMT 8 Jul 86

[Excerpts] Castries, 8 Jul (AFP) -- Pope John Paul II left Saint Lucia on Monday 2305 local time (0505 GMT on Tuesday) for Rome following a 7-hour visit in this Caribbean island.

Prime Minister John Compton delivered a final message to the sovereign pontiff to thank him for the visit that shows that "no state is too small and no country too far for his holiness." He said this before giving a rocking chair to the pope as a present.

TRINIDAD-TOBAGO

ECONOMIC RELATIONS, PROJECTS DISCUSSED WITH PRC

FL071830 Bridgetown CANA in English 1541 GMT 7 Jul 86

[Text] Port-of-Spain, Trinidad, July 7, CANA -- China and Trinidad and Tobago are discussing a joint venture project in which material will be produced here for export to North America, according to China's Vice Foreign Minister Zhu Qizhen.

He made the disclosure at a luncheon hosted by the south Trinidad Chamber of Industry and Commerce, but gave no other details. Qizhen left here yesterday at the end of a two and a half day goodwill visit. He indicated to the south Trinidad business the geographical distance between China and Trinidad and Tobago was a handicap to deepening bilateral relations, but said China would study these problems. China attaches importance to developing economic relations with Latin America and the Caribbean region, said Qizhen. China is a large country richly endowed with natural resources with a big population. Therefore, it is a huge market.

Chamber President Hedwidge Bereaux, in a speech at the luncheon, said China could use local expertise in oil production. We understand that China has now moved into the area of oil exploration, he said.

We feel that our experience and expertise of our drilling and well servicing companies could well be an area where we, as small as we are, would be able to make some definite contribution to the development of such a large and vibrant country as yours.

Qizhen visited the government's major industrial complex, Point Lisas, and had meetings with representatives of the business and manufacturing sectors and government.

Prime Minister George Chambers last year visited China during a trade and investment tour of Europe and the Far East.